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**Updates and Amendments to the
System of National Accounts, 1993**

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FOREWORD

Updates and Amendments to the System of National Accounts, 1993 has been developed and published jointly by the members of the Intersecretariat Working Group on National Accounts (ISWGNA): the United Nations Statistics Division, the Statistical Office of the European Communities, the International Monetary Fund, the Organisation for Economic Cooperation and Development, and the World Bank. The efforts of the five members of the ISWGNA were supported by a consultative mechanism involving national accounts experts in member countries.

The methodological material presented in *Updates and Amendments* complements the recommendations of the *System of National Accounts, 1993* (1993 SNA), and reflects the changes and improvements that have been introduced to the System of National Accounts since its most recent revision in 1993. Along with the previously published 1993 SNA, *Updates and Amendments* is intended for use by statisticians at the national and international levels and is expected to support the implementation process of the System of National Accounts.

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PREFACE

Updates and Amendments to the System of National Accounts, 1993 is being issued as an addendum to the *System of National Accounts, 1993* (1993 SNA) to provide an updated and amended text. It includes changes introduced to the 1993 SNA and its annexes and tables since its publication in 1993.

Updates and Amendments consists of three parts. Part one contains the text of the 1993 SNA that has been updated as a result of the adoption of new international standards for the statistical measurement of financial derivatives. Those changes affect a number of chapters and tables B and D of annex V.

Part two includes four functional classifications proposed by the System of National Accounts that were fully elaborated and updated after the 1993 SNA had been published. Those changes are reflected in updated paragraphs of chapter IX, the rewritten text of chapter XVIII and four updated tables of annex V.

Part two also includes, in updated table F of annex V, the most recent revision, Revision 3.1, of the International Standard Industrial Classification of All Economic Activities (ISIC, Rev.3.1), and in updated table G of annex V includes the most recent version, Version 1.1, of the Central Product Classification (CPC, Version 1.1) which supersedes the Provisional CPC presented in the 1993 SNA. The 2002 updating of ISIC and CPC was undertaken by the Technical Subgroup of the Expert Group on International Economic and Social Classifications. Details on these classifications and the correspondences with their earlier versions are available online at <http://unstats.un.org/unsd/class/default.htm>. Currently, ISIC and CPC are undergoing a new cycle of revisions to be completed by 2007. As a result of that process, the top-level two-digit structure of both classifications may change again.

Part three provides a new tool to complement the previously published 1993 SNA: a glossary of its terms and definitions. One of the purposes of the glossary is to provide an easy reference to the items included in the national accounts questionnaires

through which data are requested from countries by the United Nations Statistics Division and other international statistical agencies.

Work on the improvements to the 1993 SNA was carried out by members of the Intersecretariat Working Group on National Accounts. The International Monetary Fund had a leading role in the elaboration of new standards for the treatment of financial derivatives. The Organisation for Economic Cooperation and Development was responsible for developing the functional classifications and the glossary. The improvements were finalized after various rounds of thorough discussion and in consultation with national statistical offices.

Updates and Amendments contains the changes and amendments to the 1993 SNA that were produced through the updating mechanism approved by the Statistical Commission at its thirtieth session, in 1999, when the Commission also approved the proposed standards regarding the treatment of financial derivatives, and adopted the four fully developed functional classifications leading to their publication in 2000 in the *Classifications of Expenditure According to Purpose*. The glossary was developed in response to user needs for a quick reference tool to definitions and terms used in the 1993 SNA. At its thirty-fourth session, in 2003, the Statistical Commission adopted recommendations for updating the 1993 SNA with the target date of 2008, and endorsed an initial list of issues to be reviewed in the process that is expected to result in further changes and amendments and the publication of the 1993 SNA Rev.1.

The supplementary material to the 1993 SNA provided herein is intended to assist national accountants and other users of the 1993 SNA in the implementation and application of these fundamental methodological recommendations. The information included is also retrievable on the United Nations Statistics Division web site at <http://unstats.un.org/unsd/nationalaccount/default.htm>.

Part one

**Updated text of the 1993 SNA
for incorporating new international standards
on financial derivatives**

Introduction

Over recent years, there have been increasing requests from national statisticians for clarification and amplification of the international standards for the statistical measurement of financial derivatives. In response, a process of international discussion resulted in a paper prepared by the International Monetary Fund (IMF), entitled "The Statistical Measurement of Financial Derivatives" which recommended that international standards for the statistical measurement of financial derivatives be revised based on the evidence of changes in practice since the development of the *System of National Accounts, 1993* (1993 SNA).

The Intersecretariat Working Group on National Accounts (ISWGNA) and the IMF Committee on Balance of Payments Statistics initiated the process of incorporating the main clarifications and changes related to financial derivatives into the texts of the 1993 SNA and the *Balance of Payments Manual, fifth edition* (BPM5). After a review of the revised sections of the 1993 SNA by members of ISWGNA and members of the Statistical Commission, the revised draft was sent to all national statistical agencies for comments and was subsequently adopted by the Statistical Commission at its thirtieth session, in 1999. The preparation of the update was closely coordinated with a similar exercise to revise BPM5 and with the work on the *Manual on Monetary and Financial Statistics* being prepared by IMF.

It should be noted that the inclusion of a new category of financial instrument has introduced a new code number (7) for financial derivatives and has changed the existing code (from 7 to 8) for other accounts receivable/payable in table B, "Classification of transactions and other flows", section 3, "Transactions in financial instruments (F)", and in table D, "Classification of assets", section 2, "Financial assets/liabilities (AF)" of annex V. This requires that (a) the new classification of financial instruments should be followed in all tables that include the financial instrument classification (for example, table 11.1); and (b) the code for other accounts receivable/payable should be corrected in all text and tables where it is mentioned. Such changes are partially included in the present publication and will be considered in the update of the online version of the 1993 SNA.

The new international standards for the measurement of financial derivatives are presented in section A. Section B provides the updated text of the 1993 SNA, incorporating the new international standards for the statistical measurement of financial derivatives. The presentation of the updated 1993 SNA is limited to those paragraphs, tables and annexes whose text was affected by the changes. For specific details and comparison with the original version, readers should refer to the United Nations Statistics Division web site at <http://unstats.un.org/unsd/sna1993/introduction.asp>.

A. New international standards for financial derivatives

In many respects, the key recommendations on the treatment of financial derivatives contained in the 1993 SNA remain unchanged in the new international standards. The view is still that financial derivatives should be treated as financial assets, and that transactions in them should, in general, be treated as separate transactions, rather than as integral parts of the value of underlying transactions or financial assets to which they may be linked (1993 SNA, paragraphs 11.34 and 11.35). At the time of the publication of the 1993 SNA, only those financial derivatives that have market value and are tradable were recognized as financial assets: essentially, exchange-traded futures and options, and over-the-counter options. Meanwhile, a consensus emerged among statisticians that a wider range of financial derivative instruments than what was explicitly covered in the 1993 SNA should be regarded as financial assets.

The new international standards for the measurement of the financial derivatives activity are as follows:

- A more specific description of financial derivatives is introduced, namely:

Financial derivatives are financial instruments that are linked to a specific financial instrument or indicator or commodity, and through which specific financial risks can be traded in financial markets in their own right. The value of a financial derivative derives from the price of the underlying item: the reference price.¹ Unlike debt instruments, no principal amount is advanced to be repaid and no investment income accrues. Financial derivatives are used for a number of purposes, including risk management, hedging, arbitrage between markets and speculation.

- No distinction is made between on- and off-exchange “traded” financial derivative instruments. Both are regarded as financial assets. To calculate the value of any financial derivative instrument it is essential that the reference price for the underlying item be observable. In the absence of an observable price for the underlying item, the “financial derivative” cannot be valued, cannot be regarded as a store of value and so cannot be regarded as a financial asset. The new standard recommends that:

Financial derivatives, as described above, should be included in the national accounts as financial assets, regardless of whether they are “traded” on- or off-exchange. If the financial derivative cannot be valued because a prevailing market price or index for the underlying item is not observable, it cannot be regarded as a financial asset.

¹ It should be noted that in the discussion of financial derivatives, the term “underlying item” maybe taken to refer to indices as well as commodities and other financial variables. Similarly, the term “reference price” may relate to a commodity, a financial asset, an interest rate, an exchange rate, another derivative, a spread between two prices, an index or a basket of prices.

- Interest rate swaps and forward rate agreements (FRAs) are recognized as financial assets, and net cash settlement payments in these contracts are classified as financial transactions rather than property income flows as recommended in the 1993 SNA. This change will affect recorded interest in the national accounts, and hence will have implications for national income. The new standard recommends that:

Interest rate swaps and forward rate agreements should be classified as financial assets, and net cash settlement payments in these financial derivatives should be classified as financial transactions rather than as interest.

- A similar principle is applied to net cash settlement payments on the interest element of cross-currency interest rate swaps. The new standard recommends that:

Net cash settlement payments on the interest element of cross-currency interest rate swaps should be classified as financial account transactions.

- Since a financial derivative is recognized as a financial asset, its exercise is a transaction that should be recorded as such even if the underlying asset is delivered. Thus, the new standard recommends that:

A transaction in an asset underlying a financial derivative contract that goes to delivery should be recorded at the prevailing market price for the asset with the difference between the prevailing price and the price actually paid (times quantity) recorded as a transaction in financial derivatives.

- In view of the importance and the different nature of financial derivative instruments, they are recognized as a separate financial instrument category. The new standard recommends that:

Financial derivatives should be recognized as a separate instrument category of financial assets in the national accounts and as a separate functional group in the balance of payments reflecting their distinct characteristics.

For the purpose of clarification of the treatment of margin payments in the national accounts, the terms repayable and non-repayable margin are regarded as more appropriate for statistical purposes than the terms initial and variation margins. Thus, it should be noted that:

Margin payments that remain under the ownership of the depositor are repayable margins. Repayable margin payments in cash are recorded, as both assets and liabilities, under deposits in the financial account. When repayable margin payments are made in non-cash assets, such as securities, no transactions are recorded. A non-repayable margin reduces a financial liability created under a financial derivative contract. The entity that pays a non-repayable margin no longer retains ownership of the margin nor does it have the right to the risks and rewards of ownership, such as the receipt of income or exposure to holding gains and losses. Thus, a payment of non-repayable margin is normally recorded as a decline in

currency and deposits, with a counter entry in the reduction in financial derivative liabilities, and the receipt of non-repayable margin is recorded as an increase of holdings of currency and deposits, with a counter entry in the reduction in financial derivative assets.

B. Updated text of the 1993 SNA for incorporating new international standards for the statistical measurement of financial derivatives

As a result of the adoption of new international standards for the treatment of financial derivatives, a number of paragraphs, annexes and tables of the 1993 SNA have been revised. The updated text of the relevant parts affected by these changes is provided in section B below. For comparison with the original and updated text versions, readers should refer to the United Nations Statistics Division web site at <http://unstats.un.org/unsd/sna1993/introduction.asp>.

1. Updated paragraphs of chapter VII

VII. The primary distribution of income account

F. Property incomes (D.4)

3. Interest (D.41)

Introduction

- 7.93 Interest is a form of property income that is receivable by the owners of certain kinds of financial assets, namely:

- Deposits
- Securities other than shares
- Loans
- Other accounts receivable.

These financial assets are all claims of creditors over debtors. Creditors lend funds to debtors that lead to creation of one or other of the financial instruments listed above. The amount of the debtor's liability to the creditor at any point of time may be described as the principal outstanding. It is the amount that the debtor must repay to discharge the liability and thereby extinguish the creditor's claim over the debtor. Interest may be defined as follows:

Under the terms of the financial instrument agreed between them interest is the amount that the debtor becomes liable to pay to the creditor over a given period of time without reducing the amount of principal outstanding.

However, the interest may not necessarily be due for payment until a later date and sometimes not until the loan, or other financial instrument matures. Interest may be a predetermined sum of money or percentage of the principal outstanding. If some or

all of the interest accruing to the creditor is not paid during the period in question, it may be added to the amount of the principal outstanding or it may constitute an additional, separate liability incurred by the debtor. As explained in chapter XI, there are many different kinds of financial instruments and new instruments are continually being evolved. Interest may therefore be paid in various different ways, not always explicitly described as interest. However, streams of net settlement payments under a swap or forward rate agreement contract (possibly described as “interest” in the contract) are not considered as property income but are to be recorded as transactions in financial derivatives in the financial account (see paragraphs 11.34 to 11.43).

Interest rate swaps and forward rate agreements

- 7.105 Deleted. For the original version readers should refer to the UNSD web site.
- 7.106 Deleted. For the original version readers should refer to the UNSD web site.

2. Updated paragraphs of chapter X

X. The capital account

General introduction to the accumulation accounts and balance sheets

2. Assets

Financial assets

- 10.4 Most financial assets are financial claims. Financial claims and obligations arise out of contractual relationships between institutional units. A financial claim may be defined as:

An asset that entitles its owner, the creditor, to receive a payment, or series of payments, from the other unit, the debtor, in certain circumstances specified in the contract between them.

The claim is extinguished when the liability is discharged by the debtor paying a sum agreed in the contract. Most financial claims arise when one institutional unit provides funds to another unit. Such claims include not only claims on financial intermediaries in the form of cash and deposits but also loans, advances and other credits and securities such as bills and bonds. For these claims the creditor may be entitled to a series of interest payments: i.e., property income. Financial derivatives, which are another form of financial claim, do not involve the provision of funds but derive their value from changes in the prices of underlying assets or indexes. Therefore, no property income is earned on financial derivatives.

- 10.5 Financial assets may now be defined as assets in the form of financial claims, monetary gold, Special Drawing Rights (SDRs) allocated by the International Monetary Fund (IMF), and shares in corporations. Monetary gold and SDRs are treated as financial assets even though their holders do not have claims over other designated units. Shares, even though their holders do not have a fixed or predetermined monetary claim on the corporation, are treated as financial assets by convention. For convenience, the term "financial asset" may be used to cover both financial assets and liabilities, except when the context requires liabilities to be referred to explicitly.

3. Updated paragraphs of chapter XI

XI. The financial account

A. Introduction

- 11.1 The financial account records transactions that involve financial assets and liabilities and that take place between institutional units and between institutional units and the rest of the world.^{1/} The left side of the account (table 11.1. Account III.2) records acquisitions less disposals of financial assets, while the right side records incurrence of liabilities less their repayment. Net incurrence of liabilities less net acquisition of financial assets is equal in value, with the opposite sign, to net lending/borrowing, the balancing item in the capital account. In the SNA, financial assets are classified under eight major categories (the full classification is presented in table 11.2):

F.1 Monetary gold and special drawing rights (SDRs)

F.2 Currency and deposits

F.3 Securities other than shares

F.4 Loans

F.5 Shares and other equity

F.6 Insurance technical reserves

F.7 Financial derivatives

F.8 Other accounts receivable/payable.

¹ Except when the context requires, the term "financial assets" should be read to include liabilities. The terms "financial assets" and "liabilities" are used to designate those financial instruments for which there are transactions in the financial account; the term "financial instrument" is broader in coverage than "financial asset" as it includes various financial contracts and other arrangements, such as contingencies, that are not actual assets.

Depending upon whether they are assets or liabilities of the unit or sector in question, these categories are listed on both sides of the financial account.

C. Financial transactions

1. The nature of financial transactions and special cases

Financial assets

- 11.16 As explained in the general introduction to the accumulation accounts and balance sheets in chapter X, economic assets are entities over which ownership rights are enforced and from which economic benefits may be derived by their owners by holding them, or using them, over a period of time. At a minimum, all financial assets fulfil this definition in that they are stores of value; some financial assets generate property income and/or possibilities of holding gains. Currency and transferable deposits are assets because they can be used directly to acquire goods, services, or other assets. Securities and shares are assets because benefits may be derived in the form of property income and holding gains. Most loans generate property income, and trade credits represent a claim on other financial assets, usually means of payment such as transferable deposits. Most financial assets differ from other assets in the SNA in that there are counterpart liabilities on the parts of another institutional units, i.e., financial assets consist of claims on other institutional units. However, financial assets also include monetary gold, International Monetary Fund (IMF) Special Drawing Rights (SDR), and shares in corporations (which their holders treat much the same as financial claims). There are no liabilities outstanding in respect of monetary gold and SDR, while the SNA treats shares as liabilities by convention.

Financial claims and obligations

- 11.17 Many types of financial arrangements between transactors are possible. Financial claims and obligations arise out of contractual relationships between pairs of institutional units. Many of these will result in a creditor/debtor relationship between the two parties. In most cases, the relationship between the creditor and debtor will be unconditional on the part of both parties. Clearly, in such standard financial assets as deposits, securities, and loans, the creditor has an unconditional legal contract to receive property income and repayment of principal, and the debtor has a symmetric unconditional liability. Forward-type derivative contracts are also unconditional financial contracts imposing symmetrical obligations on creditor and debtor, although the changes in the prices of underlying items may change the size (and even the direction) of the symmetrical relationship (see paragraph 11.37). Options-type derivative contracts are conditional in the sense that the purchaser need not exercise its option (see paragraph 11.39). However, options impose unconditional obligation on the issuer (debtor). Unconditional creditor/debtor relationships do not hold for

shares. In this case, liabilities are introduced by convention, even though the "debtor" does not have an unconditional liability. A financial claim:

- (a) Entitles a creditor to receive a payment, or payments, from a debtor in circumstances specified in a contract between them; or
- (b) Specifies between the two parties certain rights or obligations, the nature of which requires them to be treated as financial.

Contingent assets

11.28 Deleted. For the original version readers should refer to the UNSD web site.

2. Exceptions to general rules

11.33 Foreign exchange and gold swaps (not to be confused with interest rate or currency swaps discussed in paragraph 11.38 below) are a form of repurchase agreement commonly undertaken between central banks or between a central bank and banking institutions in a country. Central bank to central bank swaps involve an exchange of deposits and, for each of the two parties, the acquisition of a financial asset (the deposit at the foreign central bank) and the incurrence of a liability (the deposit by the foreign central bank). Central bank to central bank swaps should be recorded as transactions in the financial account. When a central bank acquires foreign exchange from a domestic bank in return for a deposit at the central bank and there is a commitment to reverse the transaction at a later date, this transaction should be treated as a new financial instrument (a loan from the central bank) and recorded as such in the financial account.

3. Financial derivatives

11.34 Financial derivatives are financial instruments that are linked to a specific financial instrument or indicator or commodity, and through which specific financial risks can be traded in financial markets in their own right. The value of a financial derivative derives from the price of the underlying item: the reference price.^{2/} An observable market price or an index for the underlying item is essential for calculating the value of any financial derivative. If a financial derivative cannot be valued because a prevailing market price or index for the underlying item is not available, it cannot be regarded as a financial asset. Unlike debt instruments, no principal amount is advanced to be repaid and no investment income accrues. Financial derivatives are used for a number of purposes including risk management, hedging, arbitrage between markets, and speculation. Financial derivatives enable parties to trade

² It should be noted that in the discussion of financial derivatives the term "underlying item" may be taken to refer to indices as well as commodities and other financial variables. Similarly, the term "reference price" may relate to a commodity, a financial asset, an interest rate, an exchange rate, another derivative, a spread between two prices, an index, or a basket of prices.

specific financial risks - such as interest rate risk, currency, equity and commodity price risk, and credit risk, etc - to other entities who are more willing, or better suited, to take or manage these risks, typically, but not always, without trading in a primary asset or commodity. The risk embodied in a derivatives contract can be "traded" either by trading the contract itself, such as with options, or by creating a new contract which embodies risk characteristics that match, in a countervailing manner, those of the existing contract owned. The latter is termed offsetability, and is particularly common in forward markets or where there are no formal exchanges through which to trade derivatives.

- 11.35 The SNA recommends that financial derivative instruments that can be valued separately from the underlying item to which they are linked should be treated as financial assets, regardless of whether "trading" occurs on- or off-exchange. Transactions in financial derivatives should be treated as separate transactions, rather than as integral parts of the value of underlying transactions to which they may be linked. The two parties to the derivatives may have different motives for entering into the transaction. One may be hedging, while the other may be dealing in derivative instruments or acquiring the derivative as an investment. Even if both parties are hedging, they may be hedging transactions or risks that involve different financial assets or even transactions in different accounts of the SNA. Therefore, if derivative transactions were treated as integral parts of other transactions, such treatment would lead to asymmetries of measurement in different parts of the accounts or to asymmetries of measurement between institutional sectors.
- 11.36 Any commissions paid to or received from brokers or other intermediaries for arranging options, futures, swaps, and other derivatives contracts are treated as payments for services in the appropriate accounts. Financial derivatives transactions may take place between two parties directly, or through an intermediary. In the latter case, implicit or explicit service charges may be involved. However, it is usually not possible to distinguish the implicit service element. Therefore, the SNA recommends that net settlement payments under derivative contracts are recorded as financial transactions. However, where possible, the service charge component should be separately recorded. Financial derivatives contracts are usually settled by net payments of cash. This often occurs before maturity for exchange-traded contracts such as commodity futures. Cash settlement is a logical consequence of the use of financial derivatives to trade risk independently of ownership of an underlying item. However, some financial derivative contracts, particularly involving foreign currency, are associated with transactions in the underlying item. A transaction in an asset underlying a financial derivative contract that goes to delivery should be recorded at the prevailing market price for the asset with the difference between the prevailing price and the price actually paid (times quantity) recorded as a transaction in financial derivatives.
- 11.37 There are two broad classes of financial derivatives: forward-type contracts, including swaps, and option contracts. Under a forward contract, the two counterparties agree to exchange a specified quantity of an underlying item (real or financial) at an agreed contract price - strike price- on a specified date. Futures contracts are forward

contracts traded on organized exchanges. Futures and other forward contracts are typically, but not always, settled by the payment of cash or the provision of some other financial instrument rather than the actual delivery of the underlying item and therefore are valued and traded separately from the underlying item. A forward contract is an unconditional financial contract that represents an obligation for settlement on a specified date. At the inception of the contract, risk exposures of equal market value are exchanged and hence the contract has zero value. Some time must elapse for the market value of each party's risk to differ so that an asset (creditor) position is created for one party and a liability (debtor) position for the other. The debtor/creditor relationship may change both in magnitude and direction during the life of the forward contract. Common forward-type contracts include interest rate swaps, forward rate agreements (FRA), foreign exchange swaps, forward foreign exchange contracts, and cross-currency interest rate swaps.

- 11.38 An interest rate swap contract involves an exchange of cash flows related to interest payments, or receipts, on a notional amount of principal, which is never exchanged, on one currency over a period of time. Settlements are often made through net cash payments by one counterparty to the other. Forward rate agreements are arrangements in which two parties, in order to protect themselves against interest rate changes, agree on an interest rate to be paid, at a specified settlement date, on a notional amount of principal that is never exchanged. FRAs are settled by net cash payments. The only payment that takes place is related to the difference between the agreed forward rate agreement rate and the prevailing market rate at the time of settlement. The buyer of the forward rate agreement receives payment from the seller if the prevailing rate exceeds the agreed rate; the seller receives payment if the prevailing rate is lower than the agreed rate. A foreign exchange swap is a spot sale/purchase of currencies and a simultaneous forward purchase/sale of the same currencies. Forward foreign exchange contracts involve two counterparties who agree to transact in foreign currencies at an agreed exchange rate in a specified amount at some agreed future date. Cross-currency interest rate swaps, sometimes known as currency swaps, involve an exchange of cash flows related to interest payments and an exchange of principal amounts at an agreed exchange rate at the end of the contract. There might also be an exchange of principal at the beginning of the contract, and, in these circumstances, there may be subsequent repayments, which include both interest and principal, over time according to the predetermined rules. Streams of net settlement payments resulting from swap arrangements are to be recorded as transactions in financial derivatives and repayments of principal are to be recorded under the relevant instrument item in the financial account (see paragraphs 11.40 and 11.44 for the valuation of transactions in underlying assets).
- 11.39 Options are contracts that give the purchaser of the option the right, but not the obligation, to buy (a "call" option) or to sell (a "put" option) a particular financial instrument or commodity at a predetermined price (the "strike" price) within a given time span (American option) or on a given date (European option). Many options contracts, if exercised, are settled by a cash payment rather than by delivery of the underlying assets or commodities to which the contract relates. Options are sold or "written" on many types of underlying bases such as equities, interest rates, foreign

currencies, commodities, and specified indexes. The buyer of the option pays a premium (the option price) to the seller for the latter's commitment to sell or purchase the specified amount of the underlying instrument or commodity on demand of the buyer. While the premium paid to the seller of the option can conceptually be considered to include a service charge, in practice, it is usually not possible to distinguish the service element. Therefore, it is recommended in the SNA that the full price be recorded as acquisition of a financial asset by the buyer and as incurrence of a liability by the seller. However, where possible, the service charge component should be separately recorded. A major difference between forward and option contracts is that, whereas either party to a forward contract is a potential debtor, the buyer of an option contract acquires an asset and the option writer incurs a liability. However, option contracts frequently expire without worth; options are exercised only if settling a contract is advantageous for the option holder.

- 11.40 The timing of premium payments on options varies. Depending on the type of contract, premiums are paid when the contracts begin, when the options are exercised, or when the options expire. The value of an option at inception should be recorded at the full price of the premium. If the premiums are paid after the purchase of an option, the value of the premium payable is recorded as an asset at the time the derivative is purchased, financed by a loan from the writer. Subsequent purchases and sales of options are also to be recorded in the financial account. If an option based on a financial asset is exercised or if a commodity based option proceeds to delivery, the acquisition or sale of the underlying asset should be recorded at the prevailing market price in the appropriate accounts with the difference between this amount and the amount actually paid recorded as transactions in financial derivatives.
- 11.41 Warrants are a form of options that are treated in the financial account in the same way as other options. They are tradable instruments giving the holder the right to buy, under specified terms for a specified period of time, from the issuer of the warrant (usually a corporation) a certain number of shares or bonds. There are also currency warrants based on the amount of one currency required to buy another and cross-currency warrants tied to third currencies. They can be traded apart from the underlying securities to which they are linked and therefore have a market value. The issuer of the warrant incurs a liability, which is the counterpart of the asset held by the purchaser.
- 11.42 The financial derivatives described in the previous paragraphs are related to market risk, which pertains to changes in the market prices of securities, commodities, interest and exchange rates. Financial derivatives whose primary purpose is to trade credit risk are known as credit derivatives. They are designed for trading in loan and security default risk. Credit derivatives take the form of both forward-type and option-type contracts, and like other financial derivatives, they are frequently drawn up under standard master legal agreements, and involve collateral and margining procedures, which allow for a means to make a market valuation.
- 11.43 Margins are payments of cash or collateral that cover actual or potential obligations under financial derivatives, especially futures or exchange-traded options. Repayable

margins consist of deposits or other collateral deposited to protect a counterparty against default risk, but which remain under the ownership of the unit that placed the margins. Although its use may be restricted, a deposit is classified as repayable if the depositor retains the risks and rewards of ownership, such as the receipt of income or exposure to holding gains and losses. Repayable margin payments in cash are transactions in deposits, not transactions in a financial derivative. The depositor has a claim on the exchange or other institution holding the deposit. Some compilers may prefer to classify these margins within other accounts receivable/payable in order to reserve the term deposits for monetary aggregates. When repayable margin payments are made in non-cash assets, such as securities, no entries are required because the entity on whom the depositor has a claim – the issuer of the security – is unchanged. Non-repayable margins reduce a financial liability created under a financial derivative contract. The entity that pays a non-repayable margin no longer retains ownership of the margin nor has the right to the risks and rewards of ownership, such as the receipt of income or exposure to holding gains and losses. A payment of non-repayable margin is normally recorded as a decline in currency and deposits with a counter entry in the reduction in financial derivative liabilities, and the receipt of non-repayable margin is recorded as an increase of holdings of currency and deposits with the counter entry in the reduction in financial derivative assets.

D. Accounting rules for financial transactions

1. Valuation

- 11.44 Transactions in financial assets are recorded at the prices at which the assets are acquired or disposed of. These prices should exclude service charges, fees, commissions, and similar payments for services provided in carrying out the transactions; these should be recorded as payments for services. Taxes on financial transactions should also be excluded from the values recorded in the financial account and treated as taxes on services within taxes on products. In these respects, care should be taken that the same entry be recorded for both parties to the transaction. When a financial transaction involves a new issue of liabilities, the transaction should be recorded by both creditor and debtor at the amount of the liability incurred, i.e., exclusive of any fees, commissions, etc., and also exclusive of any prepaid interest that may be included in the price. Similarly, when a liability is reduced or extinguished, the entries in the financial account for both creditor and debtor must correspond to the reduction of the liability. When a security is issued at a discount, the proceeds to the issuer at the time of sale, and not the face value, are recorded in the financial account. The difference between the issue price and the face value is treated as interest that is accrued over the life of the instrument. A transaction in financial derivatives is recorded at its market value. When a financial derivative is settled in cash, a transaction in financial derivatives is recorded equal to the cash value of the settlement and no transaction in the underlying item is recorded (see also paragraph 11.36). When the underlying asset is delivered, a transaction in financial derivatives is recorded equal in value to the difference between the prevailing market

price of the underlying asset and the strike price indicated in the derivative contract, times the quantity. The underlying asset is valued at the prevailing market price.

E. Classification of financial transactions

1. Classification criteria

- 11.54 The classification requires reporting of asset categories at the one digit level except for insurance technical reserves (F.6), which must be divided between net equity of households in life insurance reserves and in pension funds (F.61) and prepayments of premiums and reserves against outstanding claims (F.62) and other accounts receivable/payable (F.8), which must be divided between trade credits and advances (F.81) and other (F.89). In the case of currency and deposits, the category can be subdivided between currency, transferable deposits, and other deposits when these subdivisions are useful for analysis. Securities other than shares (F.3) and loans (F.4) may be divided between short- and long-term when such a maturity distinction is useful.
- 11.55 The detail in which the classification is employed depends on the institutional sector to be analysed. The types of financial assets in which households transact are more limited than those for other sectors, and sources of information are generally more limited than those for other sectors. Financial corporations, on the other hand, transact in the full range of instruments, and information on their operations is often the most detailed and timely for any institutional units. Consequently, a detailed breakdown may be developed for financial corporations. It should be noted that the SNA classification scheme is considered to be generally applicable as a framework for classifying financial assets and liabilities and provides a useful basis for international comparison of national data. Presentation of data for individual countries, however, must be tailored to meet their analytical needs and to reflect national practices that include differing institutional arrangements, variety in the extent and nature of national financial markets, varying degrees of complexity of financial assets available, and varying degrees of regulation and other financial control exercised. In all cases, the SNA recommends compiling and presenting data at the first-digit level for asset categories 1 through 5 and 7, and at the two-digit level for categories 6 and 8 (see table 11.2). A substantial amount of flexibility, particularly with regard to further breakdowns, is therefore required to match the classification scheme to national capabilities, resources, and needs. In particular, further breakdowns of these categories are desirable for many countries to distinguish important types of assets within categories (such as short-term securities included in measures of money).

Asset/liability symmetry

- 11.59 All financial claims and the associated liabilities constitute financial assets and liabilities. However, financial assets also include certain assets that cannot properly

be described as claims over other designated institutional units when there are no matching liabilities. There are three such types of asset:

- (a) Monetary gold, i.e., gold owned by monetary authorities and others subject to the authorities' effective control and held as a financial asset and as a component of foreign reserves;
- (b) SDRs, reserve assets issued by the IMF and not considered a liability of the IMF (IMF members, to whom SDRs are allocated, do not have an actual, i.e., unconditional, liability to repay their SDR allocations);
- (c) Shares, other corporate equity securities, and capital participation (shares are close substitutes for other financial assets from the point of view of the investor. The SNA treats shares as liabilities by convention. However, these liabilities do not represent fixed redemption values, as is the case for many other assets, but claims on the net worth of the corporation).

2. Summary descriptions of transactions in financial assets and liabilities

11.62 Eight main categories of financial assets are distinguished in the SNA and are listed in table 11.2. The contents of each category are described in detail in later sections.

Other deposits (F.29)

11.72 Other deposits include all claims, other than transferable deposits, on the central bank, other depository institutions, government units, and, in some cases, other institutional units that are represented by evidence of deposit. Typical forms of deposits that should be included under this classification are non-transferable savings deposits, term deposits, and non-transferable deposits denominated in foreign currencies. The category also covers shares or similar evidence of deposit issued by savings and loan associations, building societies, credit unions, and the like; these shares or deposits are legally, or in practice, redeemable on demand or at relatively short notice. Claims on the IMF that are components of international reserves and are not evidenced by loans should be recorded in other deposits. (Claims on the IMF evidenced by loans should be included in loans (F.4).) Repayable margin payments in cash related to financial derivative contracts are included in other deposits, as are overnight and very short-term repurchase agreements if they are considered part of national broad money definitions. Other repurchase agreements should be classified under loans. It will often be useful to cross-classify the other deposits category according to: (a) whether the deposits are denominated in national currency or in foreign currencies, and (b) whether they are liabilities of resident institutions or the rest of the world.

11.74 The category of securities other than shares includes bills, bonds, certificates of deposit, commercial paper, debentures and similar instruments normally traded in the financial markets. Bills are defined as securities that give the holders the

unconditional rights to receive stated fixed sums on a specified date; bills are issued and traded in organized markets at discounts that depend on the rate of interest and the time to maturity. Examples of short-term securities are Treasury bills, negotiable certificate of deposit, banker's acceptances, and commercial paper. Bonds and debentures are securities that give the holders the unconditional right to fixed money incomes or contractually determined variable money incomes, i.e., payment of interest is not dependent on earnings of the debtors. With the exception of perpetual bonds, bonds and debentures also give holders the unconditional rights to fixed sums as repayments of principal on a specified date or dates.

- 11.75 New negotiable securities are often issued backed by existing assets such as loans, mortgages, credit card debt, or other assets (including accounts receivable). This repackaging of assets is often referred to as securitization. The creation of the new assets gives rise to entries in the financial account and the new assets should be classified as securities other than shares. The previously existing assets will continue to be reported on the balance sheet of the institutional units that hold them. Loans which have become negotiable de facto should also be classified under securities other than shares. Preferred stocks or shares that pay a fixed income but do not provide for participation in the distribution of the residual value of an incorporated enterprise on dissolution are included. Mortgages are not classified as bonds; they are included under loans.

Financial Derivatives (F.7)

- 11.82 Transactions in options-type and forward-type financial derivatives, particularly those outside of organized exchange markets, have grown in importance. Classification of financial derivatives as a separate financial instrument category recognizes both this importance and their different nature compared with other financial instruments. Unlike debt instruments, no principal amount is advanced to be repaid and no investment income accrues. No specific standards for sub-classifications of financial derivatives are recommended. Compilers may select the classifications best suited for their purposes. The distinction may be associated with different market behaviors, different data collection methods, different valuation procedures, etc. In some cases, derivatives are classified by instrument; the basic types of derivatives (forwards and options) or market risk classification (e.g., currency swaps, interest rate swaps, etc.) may serve as the basis for classification.

Other accounts receivable/payable (F.8)

Trade credit and advances (F.81)

Other (F.89)

4. Updated paragraphs of chapter XIII

XIII. The balance sheet

A. Introduction

1. Structure of the account

- 13.9 In addition to non-financial assets, the balance sheet also includes financial assets and liabilities. Most financial assets are matched by a liability; they come into existence by the establishment of a claim on another institutional unit. However, financial assets also include monetary gold, special drawing rights (SDR) of the International Monetary Fund (IMF) and shares in corporations (which their holders treat much the same as financial claims); there are no liabilities outstanding with respect to monetary gold and SDRs, while the System treats shares as liabilities by convention.

2. Main categories of assets: their scope and characteristics

Financial assets and liabilities (AF.)

- 13.21 The classification of financial assets and liabilities is designed to distinguish types of instruments according to the liquidity of the instrument and the legal characteristics of the instrument that describe the form of the underlying creditor/debtor relationship. On this basis it distinguishes monetary gold and SDR, currency and deposits, securities other than shares, loans, shares and other equity, insurance technical reserves, financial derivatives and other accounts receivable/payable. A more detailed level of classification is recommended in the case of instruments for which information about the class of debtor or creditor is of particular importance analytically and is feasible to gather, such as liabilities to, and claims on, non-residents.
- 13.22 Contingent assets or liabilities are not treated as financial assets or liabilities in the System, as discussed in chapter XI. Sums set aside in business accounting to provide for transactors' future liabilities, either certain or contingent, or for transactors' future expenditures generally are not recognized in the System. (The only "provision" recognized in the System is accumulated consumption of fixed capital.) Only actual current liabilities to another party or parties are explicitly included. When the anticipated liability becomes actual – for example, a tax lien – it is included.

B. The entries in the balance sheet

3. Financial assets/liabilities (AF.)

- 13.66 For currency, the valuation is the nominal or face value of the currency. For deposits, the values to be recorded in the balance sheets of both creditors and debtors are the amounts of principal that the debtors are contractually obliged to repay the creditors under the terms of the deposits when the deposits are liquidated. Repayable margin payments in cash related to financial derivative contracts are included in other deposits.

Financial derivatives (AF.7)

- 13.70 The treatment of derivatives is discussed in chapter XI. Financial derivatives should be included in the balance sheets at market value. If market value data are unavailable, other fair value methods to value derivatives, such as options models or discounted present values, may be used. Depending on how margin systems operate, it may be appropriate to enter zero for the value of the option, as any profits (losses) will have been received (paid) daily by the holder. The counterpart of these asset entries should be entered as a liability.
- 13.71 Options should be valued in the balance sheets as either the current value of the option, if this is available, or the amount of the premium payable. A liability should be entered in the sector of the writer of the option to represent either the current cost of buying out the rights of the option holder or the accrual of a holding gain. A forward is recorded at market value. When payments are effected, the value of the asset and associated liability is amortized and subsequently reflected in the balance sheet value on the appropriate accounting date. The market value of a forward contract can switch between an asset position and a liability position between accounting dates depending on price movements in the underlying item(s). All price changes, including those that result in such switches, are treated as revaluations.

Other accounts receivable/payable (AF.8)

Updated parts of the annex to chapter XIII

Annex

Definitions of assets

Financial assets (AF)

Other deposits (AF.29)

Claims, other than transferable deposits, on the central bank, other depository institutions, government units and, in some cases, other institutional units that are represented by evidence of deposit. Examples include non-transferable savings deposits, term deposits and non-transferable deposits denominated in foreign currencies. Also included are shares or similar evidence of deposit issued by savings and loan associations, building societies, credit unions and the like; claims on the International Monetary Fund that are components of international reserves, other than those evidenced by loans; repayable margin payments in cash related to financial derivative contracts and overnight and very short-term repurchase agreements that are considered part of national broad money definitions.

Securities other than shares (AF.3)

Financial assets that are normally traded in the financial markets and that give the holders the unconditional right to receive stated fixed sums on a specified date (such as bills) or the unconditional right to fixed money incomes or contractually determined variable money incomes (bonds and debentures). With the exception of perpetual bonds, bonds and debentures also give holders the unconditional right to fixed sums as repayments of principal on a specified date or dates.

Examples include securities such as bills, bonds, debentures, negotiable certificates of deposit, bankers' acceptances, commercial paper, negotiable securities backed by loans or other assets, preferred stocks or shares that pay a fixed income but do not provide for participation in the residual earnings or value of a corporation and bonds that are convertible into shares. Securities other than shares may be subdivided between short-term and long-term, as defined below.

Financial derivatives (AF.7)

Financial derivatives are financial instruments that are linked to a specific financial instrument or indicator or commodity, and through which specific financial risks can be traded in financial markets in their own right. The value of a financial derivative contract derives from the price of the underlying item: the reference price. The

reference price may relate to a commodity, a financial asset, an interest rate, an exchange rate, another derivative, or a spread between two prices. The derivative contract may also refer to an index or a basket of prices. Unlike debt instruments, no principal amount is advanced to be repaid and no investment income accrues. Financial derivatives are used for a number of purposes, including risk management, hedging, arbitrage between markets, and speculation. The two broad classes of financial derivatives are forward-type contracts, including swaps, and option contracts.

Other accounts receivable/payable (AF.8)

Financial assets consisting of trade credit and advances and other items due be received or paid, as defined below.

Trade credits and advances (AF.81)

Trade credit for goods and services extended directly to corporations, to government, to non-profit institutions, to households and to the rest of the world and also advances for work that is in progress (if classified as such under inventories) or is to be undertaken.

Other (AF.89)

Accounts receivable and payable, other than those described previously (e.g., in respect of taxes, dividends, purchases and sales of securities, rent, wages and salaries and social contributions). Interest accruing that is not capitalized in the underlying asset may be included.

5. Updated paragraphs of chapter XIV

XIV. The rest of the world account (external transactions account)

D. The external accounts of goods and services and of primary incomes and current transfers

2. The external account for primary incomes and current transfers

Property income

- 14.122 Property income covers income derived from a resident entity's provision of financial capital to a non-resident. The most common types of such income are interest and dividends. (Property income is fully discussed in chapter VII). Interest, including discounts in lieu of interest, comprises income on loans and debt securities, i.e., such financial claims as bank deposits, bills, bonds, notes, and trade advances. Dividends, including stock dividends, are the distribution of earnings in respect of the shares and other forms of participation in the equity of public and private corporations.

E. External accumulation accounts

3. Financial account

Financial assets

- 14.131 Although an extensive discussion of financial assets appears in chapter XI, and is fully applicable to the external financial account, those items of particular importance to the external account will be elaborated upon here. In particular it is appropriate to note that although monetary gold and IMF SDRs are included among foreign financial assets, they have no counterpart liabilities in that they do not represent claims on other units. Also, for corporate equity shares, the liability does not represent a fixed redemption value.
- 14.132 In the determination of which financial assets constitute claims on or liabilities to non-residents, the creditor and debtor (or transactors) must be residents of different economies. The unit in which the claim or liability is denominated – whether the national currency, a foreign currency, or a unit like the SDR – is not relevant. Furthermore, assets must represent actual claims that are legally in existence. The authorization, commitment, or extension of an unutilized line of credit or the incurrence of a contingent obligation does not establish such a claim, and the pledging or setting aside of an asset (as in a sinking fund) does not settle a claim or alter the ownership of the asset. Contingent assets and liabilities, as noted above, are excluded from financial items. Financial derivatives are included among financial assets and transactions when they can be valued separately from the underlying item

to which they are linked, regardless of whether “trading” occurs on- or off-exchange (see chapter XI).

F. Relationship between the current external transactions and accumulation accounts and the balance of payments accounts

14.150 As to the classification of financial items, whereas in the System the primary basis for classification of financial assets is by type of instrument, as reflected in the eight major categories, in the balance of payments accounts the primary basis for classification is by function, i.e., direct (foreign) investment, portfolio investment, financial derivatives, other capital and reserve assets. Within those functional areas, the next level of breakdown is by type of instrument, that breakdown encompassing the eight major categories of transactions in financial assets and liabilities classified in the System. However, “securities other than shares” in the System is subdivided in the balance of payments accounts into bonds and notes and money-market instruments. Also, the two components of insurance technical reserves in the System – net equity of households in life insurance reserves and pension funds, and prepayments of premiums and reserves against outstanding claims – are included indistinguishably in the balance of payments accounts under “other investment”, other assets.

6. Updated section of table B of annex V

Annex V

Classifications and accounts

Part I. Classifications

B. Classification of transactions and other flows

3. Transactions in financial instruments (F) (net acquisition of financial assets/net incurrence of liabilities)

F.1 Monetary gold and SDRs

F.2 Currency and deposits bc/

F.21 Currency

F.22 Transferable deposits

F.29 Other deposits

F.3 Securities other than shares c/

F.31 Short-term

F.32 Long-term

F.4 Loans cd/

F.41 Short-term

F.42 Long-term

F.5 Shares and other equity d/

F.6 Insurance technical reserves

F.61 Net equity of households in life insurance reserves and in pension funds

F.611 *Net equity of households in life insurance reserves*

F.612 *Net equity of households in pension funds*

F.62 Prepayment of premiums and reserves against outstanding claims

F.7 Financial derivatives

F. 8 Other accounts receivable/payable d/

F. 81 Trade credits and advances

F. 89 Other accounts receivable/payable, except trade credits and advances

7. Updated section of table D of annex V

Annex V

Classifications and accounts

Part I. Classifications

D. Classification of assets

2. Financial assets/liabilities (AF)

AF.1 Monetary gold and SDRs

AF.2 Currency and deposits ij/

AF.21 Currency

AF.22 Transferable deposits

AF.29 Other deposits

AF.3 Securities other than shares j/

AF.31 Short-term

AF.32 Long-term

AF.4 Loans j k/

AF.41 Short-term

AF.42 Long-term

AF.5 Shares and other equity k/

AF.6 Insurance technical reserves

AF.61 Net equity of households on life insurance reserves and on pension funds

AF.62 Prepayment of premiums and reserves against outstanding claims

AF.7 Financial derivatives

AF.8 Other accounts receivable/payable k/

AF.81 Trade credits and advances

AF.89 Other accounts receivable/payable, except trade credits and advances

**Updated tables
of chapter XI and annex II**

	Goods services account	Rest of the world account	Total acc-	NPISs	House- hold	General govern- ment	Finan- cial corpo- rations	Finan- cial corpo- rations	Transactions and balancing items	Net equity of households in life insurance reserves	Net equity of households in pension funds	Payment of premiums and reserves against outstanding claims	Financial derivatives	Other accounts receivable/payable 2/	Trade credits and advances	Other accounts receivable/payable except trade credits and advances	Total
22			22		22				F.611								22
11			11		11				F.612								11
3			3		3				F.62								3
82			21	61	8	40	6	7	F.8								82
36			18	18		11	1	6	F.81								36
46			3	43	8	29	5	1	F.89								46

1/ The following memorandum items related to the elements of the category F.2 "Currency and deposits":

- m11 denominated in national currency
- m12 denominated in foreign currency
- m21 liability of resident institutions
- m22 liability of rest of the world

2/ Memorandum item: F.m. Direct foreign investment.

Table 11.2 Classification of transactions in financial assets and liabilities

F.1.	Monetary gold and SDRs
F.2.	Currency and deposits
F.21	Currency
F.22	Transferable deposits
F.29	Other deposits
F.3.	Securities other than shares
F.31	Short-term
F.32	Long-term
F.4.	Loans
F.41	Short-term
F.42	Long-term
F.5.	Shares and other equity
F.6	Insurance technical reserves
F.61	Net equity of households in life insurance reserves and in pension funds
F.611	Net equity of households in life insurance reserves
F.612	Net equity of households in pension funds
F.7	Financial derivatives
F.8	Other accounts receivable/payable
F.81	Trade credit and advances
F.89	Other
Memorandum item:	
Direct foreign investment	
Equity	
Loans	
Other	

**Table
A.II.4.**

Account V.III.2: Financial account (of Account V.III: External accumulation accounts)

SNA categories	Correspond to	Balance of payments standard components (items), additional details, and aggregates
Changes in assets		Transactions
F.1 Monetary gold and SDRs		Sum of items 2.B.5.1 monetary gold and 2.B.5.2 special drawing rights (with sign reversed)
F.2 Currency and deposits		Item 2.B.4.2.3 currency and deposits
F.3 Securities other than shares		Item 2.B.1.1.3.2.1 debt securities issued by direct investor plus item 2.B.1.2.3.2.1 debt securities issued by affiliated enterprises plus item 2.B.2.2.2 debt securities (part of portfolio investment)
F.4 Loans		Item 2.B.4.2.2 loans
F.5 Shares and other equity		Sum of items 2.B.1.1.1.2 equity capital: liabilities to affiliated enterprises (part of direct investment abroad), item 2.B.1.2.1.2 equity capital: liabilities to direct investors (part of direct investment in the reporting economy), item 2.B.1.2.2 reinvested earnings (part of direct investment in the reporting economy), and item 2.B.2.2.1 equity securities (part of portfolio investment)
F.6 Insurance technical reserves		Sum of items 2.B.4.2.4.4.1.1 net equity of households in life insurance reserves and in pension funds and 2.B.4.2.4.4.1.2 prepayments of premium and reserves against outstanding claims
F.7 Financial derivatives		Sum of items 2.B.1.1.4.2 liabilities to affiliated enterprises, 2.B.1.2.4.2 liabilities to direct investors, and 2.B.3.2 liabilities (financial derivatives)
F.8 Other accounts receivable		Sum of items 2.B.1.1.3.2.2 other liabilities of direct investors (part of direct investment abroad), 2.B.1.2.3.2.2 other liabilities to direct investors (part of direct investment in the reporting economy), item 2.B.4.2.1 trade credits (part of other investment), and item 2.B.4.2.4 other liabilities minus items 2.B.4.2.4.4.1.1 net equity of households in life insurance reserves and in pension funds, and 2.B.4.2.4.4.1.2 prepayments of premiums and reserves against outstanding claims (all part of other investment)
F.2 Currency and deposits		Sum of items 2.B.4.1.3 currency and deposits (part of other investment) and 2.B.5.3.1 deposits (part of reserve position in the Fund), 2.B.5.4.1 currency and deposits (part of foreign exchange), and 2.B.5.5.1 currency and deposits (part of other reserve claims)
F.3 Securities other than shares		Sum of items 2.B.1.1.3.1.1 debt securities issued by affiliated enterprises (part of direct investment abroad), 2.B.1.2.3.1.1 debt securities issued by direct investors (part of direct investment in the reporting economy),

SNA categories	Correspond to	Balance of payments standard components (items), additional details, and aggregates
Changes in assets		Transactions
		2.B.2.1.2 debt securities (part of portfolio investment), 2.B.5.4.2.2 bonds and notes (part of foreign exchange), 2.B.5.4.2.3 money market instruments (part of foreign exchange), and 2.B.5.5.2.2 debt securities (part of other reserve claims),
F.4 Loans		Sum of items 2.B.4.1.2 loans (part of other investment) and 2.B.5.3.2 loans (part of reserve position in the Fund)
F.5 Shares and other equity		Sum of items 2.B.1.1.1.1 equity capital: claims on affiliated enterprises (part of direct investment abroad), 2.B.1.1.2 reinvested earnings (part of direct investment abroad), 2.B.1.2.1.1 equity capital: claims on direct investors (part of direct investment in the reporting economy), 2.B.2.1.1 equity securities (part of portfolio investment), and 2.B.5.4.2.1 and 2.B.5.5.2.1 equities (part of reserve assets, foreign exchange, and other claims)
F.6 Insurance technical reserves		Sum of items 2.B.4.1.4.4.1.1 net equity of households in life insurance reserves and in pension funds and 2.B.4.1.4.1.1.1, 2.B.4.1.4.2.1.1.1, 2.B.4.1.4.3.1.1, and 2.B.4.1.4.4.1.2 prepayments of premiums and reserves against outstanding claims (all part of other investment)
F.7 Financial derivatives		Sum of items 2.B.1.1.4.1.1 claims on affiliated enterprises, 2.B.1.2.4.1 claims on direct investors, 2.B.3.1 assets (financial derivatives), and 2.B.5.4.3 financial derivatives (part of foreign exchange)
F.8 Other accounts payable		Sum of items 2.B.1.1.3.1.2 other claims on affiliated enterprises (part of direct investment abroad), 2.B.1.2.3.1.2 other claims on direct investors (part of direct investment in the reporting economy), 2.B.4.1.4.1 trade credits (part of other investment) and 2.B.4.1.4.1 other assets minus items 2.B.4.1.4.4.1.1, net equity of households in life insurance reserves and in pension funds, and 2.B.4.1.4.1.1.1, 2.B.4.1.4.2.1.1, 2.B.4.1.4.3.1.1, and 2.B.4.1.4.4.1.2, prepayments of premiums and reserves against outstanding claims (all part of other investment)
B.9 Net lending (+)/net borrowing (-)		

Note: The correspondences between the SNA rest of the world accounts, and the BOP and international investment position as shown in the original Table were incorrect, which have been now corrected.

Table A.II.6. Account V.IV: External assets and liabilities

Account V.IV.1: Opening balance sheet		
SNA categories	Correspond to	International investment position standard components and additional details
AF Financial assets		Sum of items B.1.1.2 liabilities (equity capital and reinvested earnings) to direct investors (part of direct investment in the reporting economy), B.1.2.2 liabilities (other capital) to direct investors (part of direct investment in the reporting economy), B.1.3.2 liabilities (financial derivatives) to direct investors (part of direct investment in the reporting economy), A.1.1.2 liabilities (equity capital and reinvested earnings) to affiliated enterprises (part of direct investment abroad), A.1.2.2 liabilities (other capital) to affiliated enterprises (part of direct investment abroad), A.1.3.2 liabilities (financial derivatives) to affiliated enterprises (part of direct investment abroad, B.2 portfolio investment, B.3 financial derivatives, and B.4 other investment
AF Liabilities		Sum of items A.1.1.1 claims (equity capital and reinvested earnings) on affiliated enterprises (part of direct investment abroad), A.1.2.1 claims (other capital) on affiliated enterprises (part of direct investment abroad), A.1.3.1 claims (financial derivatives) on affiliated enterprises (part of direct investment abroad), B.1.1.1 claims (equity capital and reinvested earnings) (part of direct investment in the reporting economy), B.1.2.1 claims (other capital) on direct investors (part of direct investment in the reporting economy), B.1.3.1 claims (financial derivatives) on direct investors (part of direct investment in the reporting economy), A.2 portfolio investment, A.3 financial derivatives, A.4 other investment, and A.5 reserve assets minus 5.1 monetary gold and 5.2 special drawing rights
B.90 Net worth		
<p>Note: The correspondences between the SNA rest of the world accounts, and the BOP and international investment position as shown in the original Table were incorrect, which have been now corrected.</p>		

Account V.IV.2: Changes in balance sheets		
SNA categories	Correspond to	International investment position standard components and additional details
AF Total changes in financial assets		Sum of transactions, price and exchange rate changes, and other adjustments in respect of the corresponding international investment position items identified in Account V.IV.1 of the SNA
AF Total changes in liabilities		Sum of transactions price and exchange rate changes, and other adjustments in respect of corresponding international investment position items identified in Account V.IV.1 of the SNA
B.10 <i>Changes in net worth, total</i>		Total changes in assets - total changes in liabilities
Account V.IV.3: Closing balance sheet		
SNA categories	Correspond to	International investment position standard components and additional details
AF Financial assets		Sum of end of period values of corresponding items in the international investment position and identified in Account V.IV.1 of the SNA
AF Liabilities		Sum of end of period value of corresponding items in the international investment position and identified in Account V.IV.1 of the SNA

Table A.II.7 Balance of payments: standard components and additional details

		Credit	Debit
1.	Current account		
A.	Goods and services		
a.	Goods		
1.	General merchandise		
2.	Goods for processing		
3.	Repairs on goods		
4.	Goods procured in ports by carriers		
5.	Non-monetary gold		
5.1	Held as a store of value		
5.2	Other		
b.	Services		
1.	Transportation		
1.1	Sea transport		
1.1.1	Passenger		
1.1.2	Freight		
1.1.3	Other		
1.2	Air transport		
1.2.1	Passenger		
1.2.2	Freight		
1.2.3	Other		
1.3	Other transport		
1.3.1	Passenger		
1.3.2	Freight		
1.3.3	Other		
2.	Travel		
2.1	Business		
2.2	Personal		
3.	Communications services		
4.	Construction services		
5.	Insurance services		
6.	Financial services		
7.	Computer and information services		
8.	Royalties and license fees		
9.	Other business services		
9.1	Merchanting and other trade-related services		
9.2	Operational leasing services		
9.3	Miscellaneous business, professional, and technical services		
10.	Personal, cultural and recreational services		
10.1	Audiovisual and related services		
10.2	Other personal, cultural and recreational services		
11.	Government services, n.i.e.		
B.	Income		
1.	Compensation of employees		
2.	Investment income		
2.1	Direct investment		
2.1.1	Income on equity		
2.1.1.1	Dividends and distributed branch profits 3		
2.1.1.2	Reinvested earnings and undistributed branch profits 3		
2.1.2	Income on debt (interest)		
2.2	Portfolio investment		
2.2.1	Income on equity (dividends)		
2.2.2	Income on debt (interest)		

			Credit	Debit
	2.2.2.1	Bonds and notes		
	2.2.2.1.1	Financial intermediation charge indirectly measured*		
	2.2.2.1.2	Other interest		
	2.2.2.2	Money market instruments		
2.3	Other investment			
	2.3.1	Financial intermediation charge indirectly measured*		
	2.3.2	Other interest		
	2.3.3	Imputed income to households from net equity in life insurance reserves and in pension funds*		
<hr/>				
C.	Current transfers			
1.	General government			
	1.1	Current taxes on income, wealth, etc.*	XXX	
	1.2	Other taxes on production*	XXX	
	1.3	Other subsidies on production*		XXX
	1.4	Social contributions*	XXX	
	1.5	Social benefits*		XXX
	1.6	Other current transfers of general government*		
2.	Other sectors			
	2.1	Workers' remittance		
	2.2	Other transfers		
	2.2.1	Current taxes on income, wealth, etc.*		XXX
	2.2.2	Other taxes on production*		XXX
	2.2.3	Other subsidies on production*	XXX	
	2.2.4	Social contributions*		XXX
	2.2.5	Social benefits*	XXX	
	2.2.6	Other current transfers of other sectors*		
<hr/>				
2.	Capital and financial account			
<hr/>				
A.	Capital account			
1.	Capital transfers			
	1.1	General government		
	1.1.1	Debt forgiveness		
	1.1.2	Other		
	1.2	Other		
	1.2.1	Migrants' transfers		
	1.2.2	Debt forgiveness		
	1.2.3	Other		
2.	Acquisition/disposal of non-produced non-financial assets			
<hr/>				
B.	Financial account			
1.	Direct investment			
	1.1	Abroad		
	1.1.1	Equity capital		
		Claims on affiliated enterprises		
		1.1.1.1	Claims on affiliated enterprises	
		1.1.1.2	Liabilities to affiliated enterprises	
	1.1.2	Remvested earnings		
	1.1.3	Other capital		
		Claims on affiliated enterprises		
		1.1.3.1	Debt securities issued by affiliated enterprises*	
		1.1.3.1.1	Debt securities issued by affiliated enterprises*	
		1.1.3.1.2	Other claims on affiliated enterprises*	
	1.1.3.2	Liabilities to affiliated enterprises		
		1.1.3.2.1	Debt securities issued by direct investors*	
		1.1.3.2.2	Other liabilities of direct investors	
	1.1.4	Financial derivatives		
		1.1.4.1	Claims on affiliated enterprises	
		1.1.4.2	Liabilities to affiliated enterprises	

1.2	In reporting economy		
1.2.1	Equity capital		
1.2.1.1	Claims on direct investors		
	Liabilities to direct investors		
1.2.2	Reinvested earnings		
1.2.3	Other capital		
1.2.3.1	Claims on direct investors		
1.2.3.1.1	Debt securities issued by direct investors*		
1.2.3.1.2	Other claims on direct investors*		
	Liabilities to direct investors		
1.2.3.2	Debt securities issued by affiliated enterprises*		
1.2.3.2.1	Other liabilities to direct investors*		
1.2.3.2.2			
1.2.4	Financial derivatives		
1.2.4.1	Claims on direct investors		
	Liabilities to direct investors		
1.2.4.2			
2.	Portfolio investment		
2.1	Assets		
2.1.1	Equity securities		
2.1.1.1	Monetary authorities		
2.1.1.2	General government		
2.1.1.3	Banks		
2.1.1.4	Other sectors		
2.1.2	Debt securities		
2.1.2.1	Bonds and notes		
2.1.2.1.1	Monetary authorities		
2.1.2.1.2	General government		
2.1.2.1.3	Banks		
2.1.2.1.4	Other sectors		
2.1.2.2	Money-market instruments		
2.1.2.2.1	Monetary authorities		
2.1.2.2.2	General government		
2.1.2.2.3	Banks		
2.1.2.2.4	Other sectors		
2.2	Liabilities		
2.2.1	Equity securities		
2.2.1.1	Banks		
2.2.1.2	Other sectors		
2.2.2	Debt securities		
2.2.2.1	Bonds and notes		
2.2.2.1.1	Monetary authorities		
2.2.2.1.2	General government		
2.2.2.1.3	Banks		
2.2.2.1.4	Other sectors		
2.2.2.2	Money-market instruments		
2.2.2.2.1	Monetary authorities		
2.2.2.2.2	General government		
2.2.2.2.3	Banks		
2.2.2.2.4	Other sectors		
3.	Financial derivatives		
3.1	Assets		
3.1.1	Monetary authorities		
3.1.2	General government		

		3.1.3	Banks	
		3.1.4	Other sectors	
	3.2	Liabilities		
		3.2.1	Monetary authorities	
		3.2.2	General government	
		3.2.3	Banks	
		3.2.4	Other sectors	
4.	Other investment			
	4.1	Assets		
	4.1.1	Trade credits		
		4.1.1.1	General government	
		4.1.1.1.1	Long-term	
		4.1.1.1.2	Short-term	
		4.1.1.2	Other sectors	
		4.1.1.2.1	Long-term	
		4.1.1.2.2	Short-term	
	4.1.2	Loans		
		4.1.2.1	Monetary authorities	
		4.1.2.1.1	Long-term	
		4.1.2.1.2	Short-term	
		4.1.2.2	General government	
		4.1.2.2.1	Long-term	
		4.1.2.2.2	Short-term	
		4.1.2.3	Banks	
		4.1.2.3.1	Long-term	
		4.1.2.3.2	Short-term	
		4.1.2.4	Other sectors	
		4.1.2.4.1	Long-term	
		4.1.2.4.2	Short-term	
	4.1.3	Currency and deposits		
		4.1.3.1	Monetary authorities	
		4.1.3.2	General government	
		4.1.3.3	Banks	
		4.1.3.4	Other sectors	
	4.1.4	Other assets		
		4.1.4.1	Monetary authorities	
		4.1.4.1.1	Long-term	
		4.1.4.1.1.1	Prepayments of premium and reserves against outstanding claims*	
		4.1.4.1.1.2	Other assets*	
		4.1.4.1.2	Short-term	
		4.1.4.2	General government	
		4.1.4.2.1	Long-term	
		4.1.4.2.1.1	Prepayments of premiums and reserves against outstanding claims*	
		4.1.4.2.1.2	Other assets*	
		4.1.4.2.2	Short-term	
		4.1.4.3	Banks	
		4.1.4.3.1	Long-term	
		4.1.4.3.1.1	Prepayments of premiums and reserves against outstanding claims*	
		4.1.4.3.1.2	Other assets*	
		4.1.4.3.2	Short-term	
		4.1.4.4	Other sectors	

		4.1.4.4.1	Long-term	
		4.1.4.4.1.1	Net equity of households in life insurance reserves and in pension funds*	
		4.1.4.4.1.2	Prepayments of premiums and reserves against outstanding claims*	
		4.1.4.4.1.3	Other assets*	
		4.1.4.4.2	Short-term	
4.2	Liabilities			
4.2.1	Trade credits			
	4.2.1.1	General government		
		4.2.1.1.1	Long-term	
		4.2.1.1.2	Short-term	
	4.2.1.2	Other sectors		
		4.2.1.2.1	Long-term	
		4.2.1.2.2	Short-term	
4.2.2	Loans			
	4.2.2.1	Monetary authorities		
		4.2.2.1.1	Use of fund credit and loans from the fund	
		4.2.2.1.2	Other long-term	
		4.2.2.1.3	Short-term	
	4.2.2.2	General government		
		4.2.2.2.1	Long-term	
		4.2.2.2.2	Short-term	
	4.2.2.3	Banks		
		4.2.2.3.1	Long-term	
		4.2.2.3.2	Short-term	
	4.2.2.4	Other sectors		
		4.2.2.4.1	Long-term	
		4.2.2.4.2	Short-term	
4.2.3	Currency and deposits			
	4.2.3.1	Monetary authorities		
	4.2.3.2	Banks		
4.2.4	Other liabilities			
	4.2.4.1	Monetary authorities		
		4.2.4.1.1	Long-term	
		4.2.4.1.2	Short-term	
	4.2.4.2	General government		
		4.2.4.2.1	Long-term	
		4.2.4.2.2	Short-term	
	4.2.4.3	Banks		
		4.2.4.3.1	Long-term	
		4.2.4.3.2	Short-term	
	4.2.4.4	Other sectors		
		4.2.4.4.1	Long-term	
		4.2.4.4.1.1	Net equity of households in life insurance reserves and in pension funds*	
		4.2.4.4.1.2	Prepayments of premiums and reserves against outstanding claims*	
		4.2.4.4.1.3	Other liabilities*	
		4.2.4.4.2	Short-term	
5.	Reserve assets			
5.1	Monetary gold			
5.2	Special drawing rights			
5.3	Reserve position in the Fund			
	5.3.1	Deposits*		
	5.3.2	Loans*		
5.4	Foreign exchange			

		Credit	Debit
	5.4.1	Currency and deposits	
	5.4.1.1	With monetary authorities	
	5.4.1.2	With banks	
	5.4.2	Securities	
	5.4.2.1	Equities	
	5.4.2.2	Bonds and notes	
	5.4.2.3	Money-market instruments	
	5.4.3	Financial derivatives	
5.5	Other claims		
	5.5.1	Currency and deposits*	
	5.5.2	Securities*	
	5.5.2.1	Equities*	
	5.5.2.2	Debt securities	

* Details needed to reconcile with the classifications used in the rest of the world account of the SNA.

1 See table A.II.8 for components.

2 Memorandum items: 5.1 Gross premiums 5.2 Gross claims

3 If distributed branch profits are not identified, all branch profits are considered to be distributed.

**Table
A.II.9.**

International investment position: standard components and additional details

		Changes in position due to:					
		Position at beginning of year	Transactions	Price changes *a *b	Exchange rate changes *a *b	Other adjust- ments	Position at end of year
A.	Assets						
	1. Direct investment abroad 1						
	1.1 Equity capital and reinvested earnings						
	1.1.1 Claims on affiliated enterprises						
	1.1.2 Liabilities to affiliated enterprises						
	1.2 Other capital						
	1.2.1 Claims on affiliated enterprises						
	1.2.2 Liabilities to affiliated enterprises						
	1.3 Financial derivatives						
	1.3.1 Claims on affiliated enterprises						
	1.3.2 Liabilities to affiliated enterprises						
	2. Portfolio investment						
	2.1 Equity securities						
	2.1.1 Monetary authorities						
	2.1.2 General government						
	2.1.3 Banks						
	2.1.4 Other sectors						
	2.2 Debt securities						
	2.2.1 Bonds and notes						
	2.2.1.1 Monetary authorities						
	2.2.1.2 General government						
	2.2.1.3 Banks						
	2.2.1.4 Other sectors						
	2.2.2 Money-market instruments						
	2.2.2.1 Monetary authorities						
	2.2.2.2 General government						
	2.2.2.3 Banks						
	2.2.2.4 Other sectors						
	3. Financial derivatives						
	3.1 Monetary authorities						
	3.2 General governments						
	3.3 Banks						
	3.4 Other sectors						
	Other						
	4. Investment						
	4.1 Trade credits						
	4.1.1 General government						
	4.1.1.1 Long-term						
	4.1.1.2 Short-term						
	4.1.2 Other sectors						
	4.1.2.1 Long-term						
	4.1.2.2 Short-term						
	4.2 Loans						
	4.2.1 Monetary authorities						
	4.2.1.1 Long-term						
	4.2.1.2 Short-term						
	4.2.2 General government						
	4.2.2.1 Long-term						

Changes in position due to:

			Position at beginning of year	Transactions	Price changes *a *b	Exchange rate changes *a *b	Other adjust- ments	Position at end of year
		4.2.2	Short-term					
	4.2.3	Banks						
		4.2.3.1	Long-term					
		4.2.3.2	Short-term					
	4.2.4	Other sectors						
		4.2.4.1	Long-term					
		4.2.4.2	Short-term					
	4.3	Currency and deposits						
	4.3.1	Monetary authorities						
	4.3.2	General government						
	4.3.3	Banks						
	4.3.4	Other sectors						
	4.4	Other assets						
	4.4.1	Monetary authorities						
		4.4.1.1	Long-term					
		4.4.1.1	Short-term					
	4.4.2	General government						
		4.4.2.1	Long-term					
		4.4.2.2	Short-term					
	4.4.3	Banks						
		4.4.3.1	Long-term					
		4.4.3.2	Short-term					
	4.4.4	Other sectors						
		4.4.4.1	Long-term					
		4.4.4.2	Short-term					
5.	Reserve assets							
5.1	Monetary gold							
5.2	Special drawing rights							
5.3	Reserve position in the Fund							
5.4	Foreign exchange							
	5.4.1	Currency and deposits						
		5.4.1.1	With monetary authorities					
		5.4.1.2	With banks					
	5.4.2	Securities						
		5.4.2.1	Equities					
		5.4.2.2	Bonds and notes					
		5.4.2.3	Money-market instruments					
	5.4.3	Financial derivatives						
5.5	Other claims							
B.	Liabilities							
1	Direct investment in reporting economy I							
1.1	Equity capital and reinvested earnings							
	1.1.1	Claims on direct investors						
	1.1.2	Liabilities to direct investors						
1.2	Other capital							
	1.2.1	Claims on direct investors						
	1.2.2	Liabilities to direct investors						
1.3	Financial derivatives							
	1.3.1	Claims on direct investors						
	1.3.2	Liabilities to direct investors						
2	Portfolio investment							
2.1	Equity securities							
	2.1.1	Banks						
	2.1.2	Other sectors						

Changes in position due to:

		Position at beginning of year	Transactions	Price changes *a *b	Exchange rate changes *a *b	Other adjust- ments	Position at end of year
2.2	Debt securities						
	2.2.1	Bonds and notes					
		2.2.1.1	Monetary authorities				
		2.2.1.2	General government				
		2.2.1.3	Banks				
		2.2.1.4	Other sectors				
	2.2.2	Money-market instruments					
		2.2.2.1	Monetary authorities				
		2.2.2.2	General government				
		2.2.2.3	Banks				
		2.2.2.4	Other sectors				
3.	Financial derivatives						
	3.1	Monetary authorities					
	3.2	General governments					
	3.3	Banks					
	3.4	Other sectors					
	Other						
4	investment						
	4.1	Trade credits					
		4.1.1	General government				
			4.1.1.1	Long-term			
			4.1.1.2	Short-term			
		4.1.2	Other sectors				
			4.1.2.1	Long-term			
			4.1.2.2	Short-term			
	4.2	Loans					
		4.2.1	Monetary authorities				
			4.2.1.1	Use of Fund credit and loans from the Fund			
			4.2.1.2	Other long-term			
			4.2.1.3	Short-term			
		4.2.2	General government				
			4.2.2.1	Long-term			
			4.2.2.2	Short-term			
		4.2.3	Banks				
			4.2.3.1	Long-term			
			4.2.3.2	Short-term			
		4.2.4	Other sectors				
			4.2.4.1	Long-term			
			4.2.4.2	Short-term			
	4.3	Currency and deposits					
		4.3.1	Monetary authorities				
		4.3.2	Banks				
	4.4	Other liabilities					
		4.4.1	Monetary authorities				
			4.4.1.1	Long-term			
			4.4.1.2	Short-term			
		4.4.2	General government				
			4.4.2.1	Long-term			
			4.4.2.2	Short-term			
		4.4.3	Banks				
			4.4.3.1	Long-term			
			4.4.3.2	Short-term			
		4.4.4	Other sectors				
			4.4.4.1	Long-term			
			4.4.4.2	Short-term			

* Details needed to reconcile with the classifications used in the rest of the world account of the SNA (a = neutral holding gains/losses; b = real holding gains/losses).

¹ Because direct investment is classified primarily on a directional basis – abroad under the heading “Assets” and in reporting economy under the heading “Liabilities” -- claims/liabilities breakdowns are shown for the components of each, although these sub-items do not strictly confirm to the overall heading of “Assets” and “Liabilities”.

Part two

Updated classifications of the 1993 SNA

A. Functional classifications

1. Updated paragraphs of chapter IX

IX. The use of income account

F. Consumption expenditures incurred by general government and NPISHs (P.3)

2. Expenditures on individual and collective goods and services (P.31/P.32)

The classification of individual and collective government expenditures

9.87 The classification of the functions of government is a classification of transactions designed to apply to general government and its sub-sectors. This classification, which is described briefly in chapter XVIII, distinguishes between expenditure by government on individual services and collective services. By convention, all government final consumption expenditures under each of the following headings should be treated as expenditures on individual services except for expenditures on general administration, regulation, research, etc.:

07 Health

08.1 Recreational and sporting services

08.2 Cultural services

09 Education

10 Social protection

2. Updated text of chapter XVIII

XVIII. Functional classifications¹

A. Introduction

18.1 "Functional" classifications are proposed in the System for classifying certain transactions of producers and of three institutional sectors - namely households,

¹ Reference to the relevant United Nations publication that includes the four classifications of expenditure according to purpose is given in paragraph 18.5 below.

general government and non-profit institutions serving households. They are described as "functional" classifications because they identify the "functions" - in the sense of "purposes" or "objectives" - for which these groups of transactors engage in certain transactions. The classifications concerned are:

Classification of individual consumption by purpose (COICOP)

Classification of the functions of government (COFOG)

Classification of the purposes of non-profit institutions serving households (COPNI)

Classification of outlays of producers by purpose (COPP).

- 18.2 The functional classifications serve three uses. The first is quite specific. As noted in chapter IX, COFOG is used to distinguish between collective services and individual consumption goods and services provided by government. Individual goods and services are treated as social transfers in kind and they are deducted from total consumption expenditure of government to obtain actual collective consumption of government. They are also added to individual consumption expenditure of households to obtain actual individual consumption of households.
- 18.3 The second use is to provide statistics which experience has shown to be of general interest for a wide variety of analytic uses. For example, COICOP shows household expenditure on food, health and education all of which are important indicators of national welfare; COFOG shows government expenditure on "desirables" such as health and education as well as on "less desirables" such as defence and prison services; COPP may provide information on the "externalization" of business services, i.e., on the increasing tendency for producers to buy-in catering, cleaning, transport, auditing and other services which were previously carried out as ancillary activities within the enterprise.
- 18.4 The third use of these functional classifications is to provide users with the means to recast key aggregates of the System for particular kinds of analyses, some of which are described in chapter XXI. For example:
- (a) It can be argued that for several analytic purposes, the SNA definition of gross capital formation is too narrow. In studies of labour productivity, researchers often need a measure of "human capital" which is normally derived from information on past expenditures on education. The four functional classifications therefore identify expenditures on education incurred by households, general government, non-profit institutions serving households and producers;
 - (b) In studying the process of economic growth, researchers sometimes prefer to treat some or all research and development (R&D) expenditures as capital formation rather than as consumption expenditure. To assist with such studies, COFOG, COPNI and COPP all have a separate category for R&D expenditures;
 - (c) In studies of household expenditure and saving, some researchers have found it more useful to consider expenditures on consumer durables as capital rather than

current expenses. For this reason, COICOP provides for the separate identification of expenditures on durable goods. (It also identifies expenditures on semi-durable goods, on non-durable goods and on services);

- (d) In studies of the impact of economic growth on the environment, researchers often need information on expenditures undertaken to repair or prevent damage to the environment. COFOG, COPNI and COPP identify outlays on environmental protection.

18.5 All four classifications have three levels of detail which are referred to as follows:

- 01. Division (or two-digit level)
- 01.1 Group (or three-digit level)
- 01.1.1 Class (or four-digit level).

Tables H, I, J and K in annex V give the breakdowns of the classifications into divisions, groups and classes. The classifications are defined at the class or four-digit level. These definitions can be found in *Classifications of Expenditure According to Purpose*, United Nations, Statistical Papers Series M, No. 84 (ST/ESA/STAT/SER.M/84).

B. Applying the classifications

- 18.6 In principle, the unit of classification for these four classifications is a transaction or group of transactions; what are being classified are actual or imputed outlays made in connection with particular functions or to achieve particular purposes. In practice, it will not always be possible to work at such a detailed level.
- 18.7 COICOP is used to classify both the individual consumption expenditure of households, non-profit institutions serving households and general government and the actual individual consumption of households. From table H in annex V, it can be seen that COICOP is arranged vertically - first expenditures of households, next those of non-profit institutions serving households and finally expenditures by general government. This is done for the greater convenience in compiling the data. In presenting statistics according to the classification it may be more informative to display them in a matrix as shown in table 18.1. The final column shows actual individual consumption of households by purpose and columns 2 through 4 show the contributions to this aggregate by the three institutional sectors involved: households, non-profit institutions serving households and general government.

Table 18.1. Presentation of COICOP statistics in matrix format

Purpose	COICOP: Households	COICOP: NPISHs	COICOP: Govern- ment	Actual individual consumption
Food and non-alcoholic beverages	01			01
Alcoholic beverages, tobacco, etc.	02			02
Clothing and footwear	03			03
Housing, water and fuel	04	13.1	14.1	04 + 13.1 + 14.1
Furnishings, household equipment, etc.	05			05
Health	06	13.2	14.2	06 + 13.2 + 14.2
Transport	07			07
Communication	08			08
Recreation and culture	09	13.3	14.3	09 + 13.3 + 14.3
Education	10	13.4	14.4	10 + 13.4 + 14.4
Restaurants and hotels	11			11
Social protection	12.4	13.5	14.5	12.4+ 13.5+ 14.5
Miscellaneous goods and services	12 (less 12.4)			12 (less 12.4)
Other services		13.6		13.6
Total				

18.8 Some countries base their estimates of individual consumption expenditure of households on households budget surveys which frequently collect data according to functional groups of the kind used in COICOP. In these cases, estimates will be directly available of individual consumption expenditure by purpose, although data from such surveys usually need to be adjusted for various kinds of systematic errors and omissions. In many cases, however, estimates of consumption expenditure are

built up either from statistics on retail sales or by a "commodity-flow" method in which the total supply of goods and services from domestic production and imports is allocated to intermediate and final uses. In such cases the starting point for applying COICOP will be a breakdown of goods and services for household consumption according to type of product or by kind of activity as an approximation to type of product. Several goods and services are multi-purpose – for example, fabrics may be used for clothing or furnishing, diesel fuel can be used for passenger vehicles or for home-heating and insurance services may be for risks relating to housing, transport or health. Some approximation is inevitably involved in conversion to COICOP from a product classification and, a fortiori, from a kind of activity classification.

- 18.9 COFOG is designed for classifying current transactions (such as consumption expenditure, subsidies and current transfers), capital outlays (capital formation and capital transfers) and acquisition of financial assets by general government and its subsectors. The full list of transactions is given in table 18.2.

Table 18.2. Outlays to be classified according to COFOG and COPNI

Outlay	1993 SNA transaction code
Final consumption expenditure ² of which:	P3
- Intermediate consumption	P2
- Compensation of employees	D1
- Consumption of fixed capital	K1
- less Market output	P11
Gross capital formation	P5
Subsidies	D3
Property income	D4
Social benefits other than social transfers in kind	D62
Other current transfers	D7
Capital transfers	D9
Securities other than shares	F3
Loans	F4
Shares and other equity	F5

- 18.10 For current and capital transfers and for net acquisition of certain financial assets it will usually be feasible to classify transactions by assigning a COFOG code directly to them. For most other outlays it may not be possible to classify transactions and, as an approximation, the units of classification may have to be agencies, offices, bureaux or project units within government departments. All outlays by the selected classification unit will be assigned a single COFOG code. It may happen of course that the smallest

² Final consumption expenditure (P3) is not necessarily the sum of costs (P2, D1 and K1) less market output (P11). It also includes goods and services purchased from market producers by general government and non-profit institutions serving households for distributing directly to households as social transfers in kind. As there is no further processing of the goods and services such purchases are treated as final and not intermediate expenditure. (See paragraph 9.79)

units that can be identified still perform two or more government functions; in such cases it will usually be best to make an approximate division of the unit's outlays among the different functions performed rather than to allocate them all to that which is judged the largest.

- 18.11 Property income payable by government consists almost entirely of interest on the public debt. Although table 18.2 shows property income as an item to be classified by function, it is usually not possible to link interest payments with the function or purpose for which the debt was originally incurred. Probably all, or most, property income will have to be allocated to "public debt transactions" under "general public services".
- 18.12 COPNI covers the same types of transactions as COFOG. (See table 18.2.) Most countries find it difficult to collect detailed information on the activities of non-profit institutions serving households and it is likely that, in general, institutions will have to be assigned in their entirety to one of the nine divisions. Of course, if an institution is known to be multi-purpose – a religious mission that provides education as well as religious services, for example – attempts should be made to divide its outlays between the different purposes served even if this can only be done very approximately.
- 18.13 COPP is used to classify certain expenditures by producers – i.e., intermediate consumption, compensation of employees, other taxes less subsidies on production, consumption of fixed capital and gross fixed capital formation.
- 18.14 In principle, COPP applies to all producers, whether market or non-market, although not all the classification of outlays of producers by purpose categories are of equal interest for both kinds of producers; for example, "Outlays on direct sales efforts" will not usually apply to non-market producers. It is probable that, in practice, COPP will mainly be of interest for classifying transactions of market producers. There is currently very little experience with classifications of this kind. Although the classifications units should be transactions, it seems likely that in practice they will often have to be "cost-centres" or other units mainly serving a particular purpose, such as sales promotion, bookkeeping, employee training, etc.

3. Updated tables H, I, J and K of annex V

Annex V

Classifications and accounts

Part I. Classifications

H. Classification of individual consumption by purpose (COICOP)

Note: "ND", "SD", "D" and "S" denote non-durable goods, semi-durable goods, durable goods and services respectively

01 - 12 INDIVIDUAL CONSUMPTION EXPENDITURE OF HOUSEHOLDS

01. FOOD AND NON-ALCOHOLIC BEVERAGES

01.1 Food

- 01.1.1 Bread and cereals (ND)
- 01.1.2 Meat (ND)
- 01.1.3 Fish and seafood (ND)
- 01.1.4 Milk, cheese and eggs (ND)
- 01.1.5 Oils and fats (ND)
- 01.1.6 Fruit (ND)
- 01.1.7 Vegetables (ND)
- 01.1.8 Sugar, jam, honey, chocolate and confectionery (ND)
- 01.1.9 Food products n.e.c. (ND)

01.2 Non-alcoholic beverages

- 01.2.1 Coffee, tea and cocoa (ND)
- 01.2.2 Mineral waters, soft drinks, fruit and vegetable juices (ND)

02. ALCOHOLIC BEVERAGES, TOBACCO AND NARCOTICS

02.1 Alcoholic beverages

- 02.1.1 Spirits (ND)
- 02.1.2 Wine (ND)
- 02.1.3 Beer (ND)

02.2 Tobacco

- 02.2.0 Tobacco (ND)

02.3 Narcotics

- 02.3.0 Narcotics (ND)

03. CLOTHING AND FOOTWEAR

03.1 Clothing

- 03.1.1 Clothing materials (SD)
- 03.1.2 Garments (SD)
- 03.1.3 Other articles of clothing and clothing accessories (SD)
- 03.1.4 Cleaning, repair and hire of clothing (S)

03.2 Footwear

- 03.2.1 Shoes and other footwear (SD)
- 03.2.2 Repair and hire of footwear (S)

04. HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS

04.1 Actual rentals for housing

- 04.1.1 Actual rentals paid by tenants (S)
- 04.1.2 Other actual rentals (S)

04.2 Imputed rentals for housing

- 04.2.1 Imputed rentals of owner-occupiers (S)
- 04.2.2 Other imputed rentals (S)

04.3 Maintenance and repair of the dwelling

- 04.3.1 Materials for the maintenance and repair of the dwelling (ND)
- 04.3.2 Services for the maintenance and repair of the dwelling (S)

04.4 Water supply and miscellaneous services relating to the dwelling

- 04.4.1 Water supply (ND)
- 04.4.2 Refuse collection (S)
- 04.4.3 Sewerage collection (S)
- 04.4.4 Other services relating to the dwelling n.e.c. (S)

04.5 Electricity, gas and other fuels

- 04.5.1 Electricity (ND)
- 04.5.2 Gas (ND)
- 04.5.3 Liquid fuels (ND)
- 04.5.4 Solid fuels (ND)
- 04.5.5 Heat energy (ND)

05. FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE HOUSEHOLD MAINTENANCE

05.1 Furniture and furnishings, carpets and other floor coverings

- 05.1.1 Furniture and furnishings (D)
- 05.1.2 Carpets and other floor coverings (D)
- 05.1.3 Repair of furniture, furnishings and floor coverings (S)

05.2 Household textiles

- 05.2.0 Household textiles (SD)

05.3 Household appliances

- 05.3.1 Major household appliances whether electric or not (D)
- 05.3.2 Small electric household appliances (SD)
- 05.3.3 Repair of household appliances (S)

05.4 Glassware, tableware and household utensils

- 05.4.0 Glassware, tableware and household utensils

05.5 Tools and equipment for house and garden

- 05.5.1 Major tools and equipment (D)
- 05.5.2 Small tools and miscellaneous accessories (SD)

05.6 Goods and services for routine household maintenance

- 05.6.1 Non-durable household goods (ND)
- 05.6.2 Domestic services and household services (S)

06. HEALTH

06.1 Medical products, appliances and equipment

- 06.1.1 Pharmaceutical products (ND)
- 06.1.2 Other medical products (ND)
- 06.1.3 Therapeutic appliances and equipment (D)

06.2 Out-patient services

- 06.2.1 Medical services (S)
- 06.2.2 Dental services (S)
- 06.2.3 Paramedical services (S)

- 06.3 Hospital services**
 - 06.3.0 Hospital services (S)
- 07. TRANSPORT**
 - 07.1 Purchase of vehicles**
 - 07.1.1 Motor cars (D)
 - 07.1.2 Motor cycles (D)
 - 07.1.3 Bicycles (D)
 - 07.1.4 Animal drawn vehicles (D)
 - 07.2 Operation of personal transport equipment**
 - 07.2.1 Spare parts and accessories for personal transport equipment (SD)
 - 07.2.2 Fuels and lubricants for personal transport equipment (ND)
 - 07.2.3 Maintenance and repair of personal transport equipment (S)
 - 07.2.4 Other services in respect of personal transport equipment (S)
 - 07.3 Transport services**
 - 07.3.1 Passenger transport by railway (S)
 - 07.3.2 Passenger transport by road (S)
 - 07.3.3 Passenger transport by air (S)
 - 07.3.4 Passenger transport by sea and inland waterway (S)
 - 07.3.5 Combined passenger transport (S)
 - 07.3.6 Other purchased transport services (S)
- 08. COMMUNICATION**
 - 08.1 Postal services**
 - 08.1.0 Postal services (S)
 - 08.2 Telephone and telefax equipment**
 - 08.2.0 Telephone and telefax equipment (D)
 - 08.3 Telephone and telefax services**
 - 08.3.0 Telephone and telefax services (S)
- 09. RECREATION AND CULTURE**
 - 09.1 Audio-visual, photographic and information processing equipment**

09.1 Audio-visual, photographic and information processing equipment

- 09.1.1 Equipment for the reception, recording and reproduction of sound and pictures (D)
- 09.1.2 Photographic and cinematographic equipment and optical instruments (D)
- 09.1.3 Information processing equipment (D)
- 09.1.4 Recording media (SD)
- 09.1.5 Repair of audio-visual, photographic and information processing equipment (S)

09.2 Other major durables for recreation and culture

- 09.2.1 Major durables for outdoor recreation (D)
- 09.2.2 Musical instruments and major durables for indoor recreation (D)
- 09.2.3 Maintenance and repair of other major durables for recreation and culture (S)

09.3 Other recreational items and equipment, gardens and pets

- 09.3.1 Games, toys and hobbies (SD)
- 09.3.2 Equipment for sport, camping and open-air recreation (SD)
- 09.3.3 Gardens, plants and flowers (ND)
- 09.3.4 Pets and related products (ND)
- 09.3.5 Veterinary and other services for pets (S)

09.4 Recreational and cultural services

- 09.4.1 Recreational and sporting services (S)
- 09.4.2 Cultural services (S)
- 09.4.3 Games of chance (S)

09.5 Newspapers, books and stationery

- 09.5.1 Books (SD)
- 09.5.2 Newspapers and periodicals (ND)
- 09.5.3 Miscellaneous printed matter (ND)
- 09.5.4 Stationery and drawing materials (ND)

09.6 Package holidays

- 09.6.0 Package holidays (S)

- 10. EDUCATION**
 - 10.1 Pre-primary and primary education**
 - 10.1.0 Pre-primary and primary education (S)
 - 10.2 Secondary education**
 - 10.2.0 Secondary education (S)
 - 10.3 Post-secondary non-tertiary education**
 - 10.3.0 Post-secondary non-tertiary education (S)
 - 10.4 Tertiary education**
 - 10.4.0 Tertiary education (S)
 - 10.5 Education not definable by level**
 - 10.5.0 Education not definable by level (S)
- 11. RESTAURANTS AND HOTELS**
 - 11.1 Catering services**
 - 11.1.1 Restaurants, cafés and the like (S)
 - 11.1.2 Canteens (S)
 - 11.2 Accommodation services**
 - 11.2.0 Accommodation services (S)
- 12. MISCELLANEOUS GOODS AND SERVICES**
 - 12.1 Personal care**
 - 12.1.1 Hairdressing salons and personal grooming establishments (S)
 - 12.1.2 Electric appliances for personal care (SD)
 - 12.1.3 Other appliances, articles and products for personal care (ND)
 - 12.2 Prostitution**
 - 12.2.0 Prostitution (S)

12.3 Personal effects n.e.c.

12.3.1 Jewellery, clocks and watches (D)

12.3.2 Other personal effects (SD)

12.4 Social protection

12.4.0 Social protection (S)

12.5 Insurance

12.5.1 Life insurance (S)

12.5.2 Insurance connected with the dwelling (S)

12.5.3 Insurance connected with health (S)

12.5.4 Insurance connected with transport (S)

12.5.5 Other insurance (S)

12.6 Financial services n.e.c.

12.6.1 Financial intermediation services indirectly measured (FISIM) (S)

12.6.2 Other financial services n.e.c. (S)

12.7 Other services n.e.c.

12.7.0 Other services n.e.c. (S)

***13 INDIVIDUAL CONSUMPTION EXPENDITURE OF NON-PROFIT
INSTITUTIONS SERVING HOUSEHOLDS***

**13. INDIVIDUAL CONSUMPTION EXPENDITURE OF NON-PROFIT
INSTITUTIONS SERVING HOUSEHOLDS (NPISHs)**

13.1 Housing

13.1.0 Housing (S)

13.2 Health

13.2.1 Pharmaceutical products (ND)

13.2.2 Other medical products (ND)

13.2.3 Therapeutic appliances and equipment (D)

13.2.4 Out-patient medical services (S)

13.2.5 Out-patient dental services (S)

13.2.6 Out-patient paramedical services (S)

13.2.7 Hospital services (S)

13.2.8 Other health services (S)

13.3 Recreation and culture

- 13.3.1 Recreational and sporting services (S)
- 13.3.2 Cultural services (S)

13.4 Education

- 13.4.1 Pre-primary and primary education (S)
- 13.4.2 Secondary education (S)
- 13.4.3 Post-secondary non-tertiary education (S)
- 13.4.4 Tertiary education (S)
- 13.4.5 Education not definable by level (S)
- 13.4.6 Other educational services (S)

13.5 Social protection

- 13.5.0 Social protection (S)

13.6 Other services

- 13.6.1 Religion (S)
- 13.6.2 Political parties, labour and professional organizations (S)
- 13.6.3 Environmental protection (S)
- 13.6.4 Services n.e.c. (S)

14 INDIVIDUAL CONSUMPTION EXPENDITURE OF GENERAL GOVERNMENT

14. INDIVIDUAL CONSUMPTION EXPENDITURE OF GENERAL GOVERNMENT

14.1 Housing

- 14.1.0 Housing (S)

14.2 Health

- 14.2.1 Pharmaceutical products (ND)
- 14.2.2 Other medical products (ND)
- 14.2.3 Therapeutic appliances and equipment (D)
- 14.2.4 Out-patient medical services (S)
- 14.2.5 Out-patient dental services (S)
- 14.2.6 Out-patient paramedical services (S)
- 14.2.7 Hospital services (S)
- 14.2.8 Public health services (S)

14.3 Recreation and culture

14.3.1 Recreational and sporting services (S)

14.3.2 Cultural services (S)

14.4 Education

14.4.1 Pre-primary and primary education (S)

14.4.2 Secondary education (S)

14.4.3 Post-secondary non-tertiary education (S)

14.4.4 Tertiary education (S)

14.4.5 Education not definable by level (S)

14.4.6 Subsidiary services to education (S)

14.5 Social protection

14.5.0 Social protection (S)

I. Classification of the functions of the government (COFOG)

Note: "CS" and "IS" denote collective services and individual services respectively.

01. GENERAL PUBLIC SERVICES

01.1 Executive and legislative organs, financial and fiscal affairs, external affairs

01.1.1 Executive and legislative organs (CS)

01.1.2 Financial and fiscal affairs (CS)

01.1.3 External affairs (CS)

01.2 Foreign economic aid

01.2.1 Economic aid to developing countries and countries in transition (CS)

01.2.2 Economic aid routed through international organizations (CS)

01.3 General services

01.3.1 General personnel services (CS)

01.3.2 Over-all planning and statistical services (CS)

01.3.3 Other general services (CS)

01.4 Basic research

01.4.0 Basic research (CS)

01.5 R&D General public services

01.5.0 R&D General public services (CS)

01.6 General public services n.e.c.

01.6.0 General public services n.e.c. (CS)

01.7 Public debt transactions

01.7.0 Public debt transactions (CS)

01.8 Transfers of a general character between different levels of government

01.8.0 Transfers of a general character between different levels of government (CS)

02. DEFENCE

02.1 Military defence

02.1.0 Military defence (CS)

02.2 Civil defence

02.2.0 Civil defence (CS)

02.3 Foreign military aid

02.3.0 Foreign military aid (CS)

02.4 R&D Defence

02.4.0 R&D Defence (CS)

02.5 Defence n.e.c.

02.5.0 Defence n.e.c. (CS)

03. PUBLIC ORDER AND SAFETY

03.1 Police services

03.1.0 Police services (CS)

03.2 Fire-protection services

03.2.0 Fire-protection services (CS)

03.3 Law courts

03.3.0 Law courts (CS)

03.4. Prisons

03.4.0 Prisons (CS)

03.5 R&D Public order and safety

03.5.0 R&D Public order and safety (CS)

- 03.6 Public order and safety n.e.c.**
 - 03.6.0 Public order and safety n.e.c. (CS)
- 04. ECONOMIC AFFAIRS**
 - 04.1 General economic, commercial and labour affairs**
 - 04.1.1 General economic and commercial affairs (CS)
 - 04.1.2 General labour affairs (CS)
 - 04.2 Agriculture, forestry, fishing and hunting**
 - 04.2.1 Agriculture (CS)
 - 04.2.2 Forestry (CS)
 - 04.2.3 Fishing and hunting (CS)
 - 04.3 Fuel and energy**
 - 04.3.1 Coal and other solid mineral fuels (CS)
 - 04.3.2 Petroleum and natural gas (CS)
 - 04.3.3 Nuclear fuel (CS)
 - 04.3.4 Other fuels (CS)
 - 04.3.5 Electricity (CS)
 - 04.3.6 Non-electric energy (CS)
 - 04.4 Mining, manufacturing and construction**
 - 04.4.1 Mining of mineral resources other than mineral fuels (CS)
 - 04.4.2 Manufacturing (CS)
 - 04.4.3 Construction (CS)
 - 04.5 Transport**
 - 04.5.1 Road transport (CS)
 - 04.5.2 Water transport (CS)
 - 04.5.3 Railway transport (CS)
 - 04.5.4 Air transport (CS)
 - 04.5.5 Pipeline and other transport (CS)
 - 04.6 Communication**
 - 04.6.0 Communication (CS)

- 04.7 Other industries**
 - 04.7.1 Distributive trades, storage and warehousing (CS)
 - 04.7.2 Hotels and restaurants (CS)
 - 04.7.3 Tourism (CS)
 - 04.7.4 Multi-purpose development projects (CS)
- 04.8 R&D Economic affairs**
 - 04.8.1 R&D General economic, commercial and labour affairs (CS)
 - 04.8.2 R&D Agriculture, forestry, fishing and hunting (CS)
 - 04.8.3 R&D Fuel and energy (CS)
 - 04.8.4 R&D Mining, manufacturing and construction (CS)
 - 04.8.5 R&D Transport (CS)
 - 04.8.6 R&D Communication (CS)
 - 04.8.7 R&D Other industries (CS)
- 04.9 Economic affairs n.e.c.**
 - 04.9.0 Economic affairs n.e.c. (CS)
- 05. ENVIRONMENTAL PROTECTION**
 - 05.1 Waste management**
 - 05.1.0 Waste management (CS)
 - 05.2 Waste water management**
 - 05.2.0 Waste water management (CS)
 - 05.3 Pollution abatement**
 - 05.3.0 Pollution abatement (CS)
 - 05.4 Protection of biodiversity and landscape**
 - 05.4.0 Protection of biodiversity and landscape (CS)
 - 05.5 R&D Environmental protection**
 - 05.5.0 R&D Environmental protection (CS)
 - 05.6 Environmental protection n.e.c.**
 - 05.6.0 Environmental protection n.e.c. (CS)

06. HOUSING AND COMMUNITY AMENITIES

06.1 Housing development

06.1.0 Housing development (CS)

06.2 Community development

06.2.0 Community development (CS)

06.3 Water supply

06.3.0 Water supply (CS)

06.4 Street lighting

06.4.0 Street lighting (CS)

06.5 R&D Housing and community amenities

06.5.0 R&D Housing and community amenities (CS)

06.6 Housing and community amenities n.e.c.

06.6.0 Housing and community amenities n.e.c. (CS)

07. HEALTH

07.1 Medical products, appliances and equipment

07.1.1 Pharmaceutical products (IS)

07.1.2 Other medical products (IS)

07.1.3 Therapeutic appliances and equipment (IS)

07.2 Out-patient services

07.2.1 General medical services (IS)

07.2.2 Specialised medical services (IS)

07.2.3 Dental services (IS)

07.2.4 Paramedical services (IS)

07.3 Hospital services

07.3.1 General hospital services (IS)

07.3.2 Specialised hospital services (IS)

- 07.3.3 Medical and maternity centre services (IS)
- 07.3.4 Nursing and convalescent home services (IS)

07.4 Public health services

- 07.4.0 Public health services (IS)

07.5 R&D Health

- 07.5.0 R&D Health (CS)

07.6 Health n.e.c.

- 07.6.0 Health n.e.c. (CS)

08. RECREATION, CULTURE AND RELIGION

08.1 Recreational and sporting services

- 08.1.0 Recreational and sporting services (IS)

08.2 Cultural services

- 08.2.0 Cultural services (IS)

08.3 Broadcasting and publishing services

- 08.3.0 Broadcasting and publishing services (CS)

08.4 Religious and other community services

- 08.4.0 Religious and other community services (CS)

08.5 R&D Recreation, culture and religion

- 08.5.0 R&D Recreation, culture and religion (CS)

08.6 Recreation, culture and religion n.e.c.

- 08.6.0 Recreation, culture and religion n.e.c. (CS)

09. EDUCATION

09.1 Pre-primary and primary education

- 09.1.1 Pre-primary education (IS)
- 09.1.2 Primary education (IS)

- 09.2 Secondary education**
 - 09.2.1 Lower-secondary education (IS)
 - 09.2.2 Upper-secondary education (IS)
- 09.3 Post-secondary non-tertiary education**
 - 09.3.0 Post-secondary non-tertiary education (IS)
- 09.4 Tertiary education**
 - 09.4.1 First stage of tertiary education (IS)
 - 09.4.2 Second stage of tertiary education (IS)
- 09.5 Education not definable by level**
 - 09.5.0 Education not definable by level (IS)
- 09.6 Subsidiary services to education**
 - 09.6.0 Subsidiary services to education (IS)
- 09.7 R&D Education**
 - 09.7.0 R&D Education (CS)
- 09.8 Education n.e.c.**
 - 09.8.0 Education n.e.c. (CS)
- 10. SOCIAL PROTECTION**
 - 10.1 Sickness and disability**
 - 10.1.1 Sickness (IS)
 - 10.1.2 Disability (IS)
 - 10.2 Old age**
 - 10.2.0 Old age (IS)
 - 10.3 Survivors**
 - 10.3.0 Survivors (IS)

10.4 Family and children

10.4.0 Family and children (IS)

10.5 Unemployment

10.5.0 Unemployment (IS)

10.6 Housing

10.6.0 Housing (IS)

10.7 Social exclusion n.e.c.

10.7.0 Social exclusion n.e.c. (IS)

10.8 R&D Social protection

10.8.0 R&D Social protection (CS)

10.9 Social protection n.e.c.

10.9.0 Social protection n.e.c. (CS)

J. Classification of the purposes of non-profit institutions serving households (COPNI)

01. HOUSING

01.0 Housing

01.0.0 Housing

02. HEALTH

02.1 Medical products, appliances and equipment

02.1.1 Pharmaceutical products

02.1.2 Other medical products

02.1.3 Therapeutic appliances and equipment

02.2 Out-patient services

02.2.1 Medical services

02.2.2 Dental services

02.2.3 Paramedical services

02.3 Hospital services

02.3.0 Hospital services

02.4 Public health services

02.4.0 Public health services

02.5 R&D Health

02.5.0 R&D Health

02.6 Other health services

02.6.0 Other health services

03. RECREATION AND CULTURE

03.1 Recreational and sporting services

03.1.0 Recreational and sporting services

- 03.2 Cultural services**
 - 03.2.0 Cultural services
- 04. EDUCATION**
 - 04.1 Pre-primary and primary education**
 - 04.1.0 Pre-primary and primary education
 - 04.2 Secondary education**
 - 04.2.0 Secondary education
 - 04.3 Post-secondary non-tertiary education**
 - 04.3.0 Post-secondary non-tertiary education
 - 04.4 Tertiary education**
 - 04.4.0 Tertiary education
 - 04.5 Education not definable by level**
 - 04.5.0 Education not definable by level
 - 04.6 R&D Education**
 - 04.6.0 R&D Education
 - 04.7 Other educational services**
 - 04.7.0 Other educational services
- 05. SOCIAL PROTECTION**
 - 05.1 Social protection services**
 - 05.1.0 Social protection services
 - 05.2 R&D Social protection**
 - 05.2.0 R&D Social protection

- 06. RELIGION**
 - 06.0 Religion**
 - 06.0.0 Religion
- 07. POLITICAL PARTIES, LABOUR AND PROFESSIONAL ORGANIZATIONS**
 - 07.1 Services of political parties**
 - 07.1.0 Services of political parties
 - 07.2 Services of labour organizations**
 - 07.2.0 Services of labour organizations
 - 07.3 Services of professional organizations**
 - 07.3.0 Services of professional organizations
- 08. ENVIRONMENTAL PROTECTION**
 - 08.1 Environmental protection services**
 - 08.1.0 Environmental protection services
 - 08.2 R&D Environmental protection**
 - 08.2.0 R&D Environmental protection
- 09. SERVICES N.E.C.**
 - 09.1 Services n.e.c.**
 - 09.1.0 Services n.e.c.
 - 09.2 R&D Services n.e.c.**
 - 09.2.0 R&D Services n.e.c.

K. Classification of outlays of producers by purpose (COPP)

01. OUTLAYS ON INFRASTRUCTURE

01.1 Outlays on road and land construction and improvement

01.1.0 Outlays on road and land construction and improvement

01.2 Outlays on engineering and related technological work

01.2.0 Outlays on engineering and related technological work

01.3 Outlays on information management

01.3.1 Outlays on operating purposes of information management

01.3.2 Outlays on development of software

02. OUTLAYS ON RESEARCH AND DEVELOPMENT

02.1 Outlays on research and experimental development on natural sciences and engineering

02.1.0 Outlays on research and experimental development on natural sciences and engineering

02.2 Outlays on research and experimental development on social sciences and humanities

02.2.0 Outlays on research and experimental development on social sciences and humanities

03. OUTLAYS ON ENVIRONMENTAL PROTECTION

03.1 Outlays on protection of ambient air and climate

03.1.0 Outlays on protection of ambient air and climate

03.2 Outlays on waste water management

03.2.0 Outlays on waste water management

03.3 Outlays on waste management

03.3.0 Outlays on waste management

03.4 Outlays on protection of soil and groundwater

- 03.4.0 Outlays on protection of soil and groundwater
- 03.5 Outlays on noise and vibration abatement**
 - 03.5.0 Outlays on noise and vibration abatement
- 03.6 Outlays on protection of biodiversity and landscape**
 - 03.6.0 Outlays on protection of biodiversity and landscape
- 03.7 Outlays on environmental protection n.e.c.**
 - 03.7.0 Outlays on environmental protection n.e.c.
- 04. OUTLAYS ON MARKETING**
 - 04.1 Outlays on direct sales efforts**
 - 04.1.0 Outlays on direct sales efforts
 - 04.2 Outlays on advertising**
 - 04.2.0 Outlays on advertising
 - 04.3 Outlays on marketing n.e.c.**
 - 04.3.0 Outlays on marketing n.e.c.
- 05. OUTLAYS ON HUMAN RESOURCE DEVELOPMENT**
 - 05.1 Outlays on education and training**
 - 05.1.0 Outlays on education and training
 - 05.2 Outlays on health**
 - 05.2.0 Outlays on health
 - 05.3 Outlays on social services**
 - 05.3.0 Outlays on social services
- 06. OUTLAYS ON CURRENT PRODUCTION PROGRAMMES, ADMINISTRATION AND MANAGEMENT**
 - 06.1 Outlays on current production programmes**

06.1.0 Outlays on current production programmes

06.2 Outlays on external transportation

06.2.0 Outlays on external transportation

06.3 Outlays on safety and security

06.3.0 Outlays on safety and security

06.4 Outlays on management and administration

06.4.0 Outlays on management and administration

B. Other updated classifications of the 1993 SNA

1. Updated table F of annex V (ISIC, Rev.3.1)

Annex V

Classifications and accounts

F. International Standard Industrial Classification of All Economic Activities, Revision 3.1 (ISIC, Rev. 3.1)

Section	Division	Description
A		Agriculture, hunting and forestry
	01	Agriculture, hunting and related service activities
	02	Forestry, logging and related service activities
B		Fishing
	05	Fishing, aquaculture and service activities incidental to fishing
C		Mining and quarrying
	10	Mining of coal and lignite; extraction of peat
	11	Extraction of crude petroleum and natural gas; service activities incidental to oil and gas extraction, excluding surveying
	12	Mining of uranium and thorium ores
	13	Mining of metal ores
	14	Other mining and quarrying
D		Manufacturing
	15	Manufacture of food products and beverages
	16	Manufacture of tobacco products
	17	Manufacture of textiles
	18	Manufacture of wearing apparel; dressing and dyeing of fur
	19	Tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear
	20	Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials
	21	Manufacture of paper and paper products
	22	Publishing, printing and reproduction of recorded media
	23	Manufacture of coke, refined petroleum products and nuclear fuel
	24	Manufacture of chemicals and chemical products
	25	Manufacture of rubber and plastics products
	26	Manufacture of other non-metallic mineral products

27	Manufacture of basic metals
Section Division	Description
28	Manufacture of fabricated metal products, except machinery and equipment
29	Manufacture of machinery and equipment n.e.c.
30	Manufacture of office, accounting and computing machinery
31	Manufacture of electrical machinery and apparatus n.e.c.
32	Manufacture of radio, television and communication equipment and apparatus
33	Manufacture of medical, precision and optical instruments, watches and clocks
34	Manufacture of motor vehicles, trailers and semi-trailers
35	Manufacture of other transport equipment
36	Manufacture of furniture; manufacturing n.e.c.
37	Recycling
E	Electricity, gas and water supply
40	Electricity, gas, steam and hot water supply
41	Collection, purification and distribution of water
F	Construction
45	Construction
G	Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods
50	Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel
51	Wholesale trade and commission trade, except of motor vehicles and motorcycles
52	Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods
H	Hotels and restaurants
55	Hotels and restaurants
I	Transport, storage and communications
60	Land transport; transport via pipelines
61	Water transport
62	Air transport
63	Supporting and auxiliary transport activities; activities of travel agencies
64	Post and telecommunications
J	Financial intermediation

	65	Financial intermediation, except insurance and pension funding
	66	Insurance and pension funding, except compulsory social security
	67	Activities auxiliary to financial intermediation
K		Real estate, renting and business activities
	70	Real estate activities
Section Division		Description
	71	Renting of machinery and equipment without operator and of personal and household goods
	72	Computer and related activities
	73	Research and development
	74	Other business activities
L		Public administration and defence; compulsory social security
	75	Public administration and defence; compulsory social security
M		Education
	80	Education
N		Health and social work
	85	Health and social work
O		Other community, social and personal service activities
	90	Sewage and refuse disposal, sanitation and similar activities
	91	Activities of membership organizations n.e.c.
	92	Recreational, cultural and sporting activities
	93	Other service activities
P		Activities of private households as employers and undifferentiated production activities of private households
	95	Activities of private households as employers of domestic staff
	96	Undifferentiated goods-producing activities of private households for own use
	97	Undifferentiated service-producing activities of private households for own use
Q		Extraterritorial organizations and bodies
	99	Extraterritorial organizations and bodies

2. Updated table G of annex V (CPC, Version 1.1)

Annex V

Classifications and accounts

G. Central Product Classification, Version 1.1 (CPC, Version 1.1)

Section	Division
0	Agriculture, forestry and fishery products
01	Products of agriculture, horticulture and market gardening
02	Live animals and animal products
03	Forestry and logging products
04	Fish and other fishing products
1	Ores and minerals; electricity, gas and water
11	Coal and lignite; peat
12	Crude petroleum and natural gas
13	Uranium and thorium ores
14	Metal ores
15	Stone, sand and clay
16	Other minerals
17	Electricity, town gas, steam and hot water
18	Water
2	Food products, beverages and tobacco; textiles, apparel and leather products
21	Meat, fish, fruit, vegetables, oils and fats
22	Dairy products
23	Grain mill products, starches and starch products; other food products
24	Beverages
25	Tobacco products
26	Yarn and thread; woven and tufted textile fabrics
27	Textile articles other than apparel
28	Knitted or crocheted fabrics; wearing apparel
29	Leather and leather products; footwear
3	Other transportable goods, except metal products, machinery and equipment
31	Products of wood, cork, straw and plaiting materials
32	Pulp, paper and paper products; printed matter and related articles
33	Coke oven products; refined petroleum products; nuclear fuel

- 34 Basic chemicals
- 35 Other chemical products; man-made fibres
- 36 Rubber and plastics products
- 37 Glass and glass products and other non-metallic products n.e.c.
- 38 Furniture; other transportable goods n.e.c.
- 39 Wastes or scraps

Section	Division
4	Metal products, machinery and equipment
41	Basic metals
42	Fabricated metal products, except machinery and equipment
43	General-purpose machinery
44	Special-purpose machinery
45	Office, accounting and computing machinery
46	Electrical machinery and apparatus
47	Radio, television and communication equipment and apparatus
48	Medical appliances, precision and optical instruments, watches and clocks
49	Transport equipment
5	Construction services
54	Construction services
6	Distributive trade services; lodging; food and beverage serving services; transport services; and utilities distribution services
61	Wholesale trade services
62	Retail trade services
63	Lodging; food and beverage serving services
64	Land transport services
65	Water transport services
66	Air transport services
67	Supporting and auxiliary transport services
68	Postal and courier services
69	Electricity distribution services; gas and water distribution services through mains
7	Financial and related services; real estate services; and rental and leasing services
71	Financial intermediation, insurance and auxiliary services
72	Real estate services
73	Leasing or rental services without operator
8	Business and production services
81	Research and development services
82	Legal and accounting services
83	Other professional, technical and business services
84	Telecommunications services; information retrieval and supply services
85	Support services
86	Services incidental to agriculture, hunting, forestry, fishing, mining, and utilities
87	Maintenance, repair, and installation (except construction) services
88	Manufacturing services on physical inputs owned by others

89 Other manufacturing services

9 Community, social and personal services

91 Public administration and other services to the community as a whole;
compulsory social security services

92 Education services

93 Health and social services

94 Sewage and refuse disposal, sanitation and other environmental protection
services

Section	Division
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	95 Services of membership organizations
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	96 Recreational, cultural and sporting services
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	97 Other services
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	98 Domestic services
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	99 Services provided by extraterritorial organizations and bodies
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Part three

Glossary of terms and definitions in the 1993 SNA

Note

The definitions contained in the present glossary are based as closely as possible on the actual wording of the 1993 SNA. However, in some cases it has been necessary to deviate from the exact wording in the 1993 SNA by adding to or slightly changing the actual wording in order to have “stand alone” definitions.

To make the application of the glossary easier for the user, each definition shows the paragraph(s) of the 1993 SNA from which the definition has been derived, and/or any other references that may be useful in determining a more precise meaning of each term. The following conventions have been used in showing the relevant paragraphs.

A paragraph number by itself indicates that the definition has been taken entirely from that paragraph in the 1993 SNA. Two paragraph numbers separated by the word “and” indicate that the definition has been derived from both paragraphs. Two or more paragraph numbers separated by a comma indicate that the same definition appears in each of those paragraphs. Paragraph numbers enclosed by square brackets indicate that those paragraphs contain relevant information but the definition has not been taken directly from them. The acronym “BPM” before a paragraph number refers to the relevant paragraph in the IMF publication *Balance of Payments Manual, fifth edition*. In a few cases, the acronym “OECD” appears before a number indicating a reference to *The OECD Classification of Taxes* and the number shown is the 4digit reference number from this classification, details concerning which, including a description of its individual items, are contained in the section “Interpretive Guide” of the OECD publication *Revenue Statistics*.

Term	Definition	Paragraph(s)
Account	An <i>account</i> is a tool which records, for a given aspect of economic life, (a) the uses and resources or (b) the changes in assets and the changes in liabilities and/or (c) the stock of assets and liabilities existing at a certain time; the transactions accounts include a balancing item which is used to equate the two sides of the accounts (e.g. resources and uses) and which is a meaningful measure of economic performance in itself.	2.85 and 2.87
Accrual accounting	<i>Accrual accounting</i> records flows at the time economic value is created, transformed, exchanged, transferred or extinguished; this means that flows which imply a change of ownership are entered when ownership passes, services are recorded when provided, output is entered at the time products are created and intermediate consumption is recorded when materials and supplies are being used.	3.94
Accumulation accounts	<i>Accumulation accounts</i> are flow accounts that record the acquisition and disposal of financial and non-financial assets and liabilities by institutional units through transactions or as a result of other events.	1.9 [2.93, 10.1]
Acquisitions	Goods (including assets) and services are <i>acquired</i> by institutional units when they become the new owners of the goods or when the delivery of services to them is completed.	9.32
Acquisition - time of	The <i>times</i> at which goods and services are <i>acquired</i> are when the change of ownership occurs or the delivery of the services is completed.	9.34
Actual final consumption of general government	<i>Actual final consumption of general government</i> is measured by the value of the collective (as opposed to individual) consumption services provided to the community, or large sections of the community, by general government; it is derived from their final consumption expenditure by subtracting the value of social transfers in kind payable.	9.97 and 9.3
Actual final consumption of households	<i>Actual final consumption of households</i> is the value of the consumption goods and services acquired by households, whether by purchase in general, or by transfer from government units or NPISHs, and used by them for the satisfaction of their needs and wants; it is derived from their final consumption expenditure by adding the value of social transfers in kind receivable.	9.11 and 9.3 [9.72, 9.96]
Actual final consumption of NPISHs	There is no <i>actual final consumption of NPISHs</i> because, in practice, most of their services are individual in nature and so, for simplicity, all services provided by NPISHs are treated by convention as individual (as social transfers in kind).	9.44 [9.94, 9.95]
Actual individual consumption	<i>Actual individual consumption</i> is measured by the total value of household final consumption expenditure, NPISH final consumption expenditure and government expenditure on individual consumption goods and services.	[9.94]
Actual social contributions	<i>Actual social contributions</i> consist of employers' actual social contributions, employees' actual social contributions, and social contributions by self-employed and non-employed persons (see also "imputed social contributions").	8.67 - 8.70
Additivity	<i>Additivity</i> is a property pertaining to a set of interdependent index numbers related by definition or by accounting constraints under which an aggregate is defined as the sum of its components; additivity requires this identity to be preserved when the values of both an aggregate and its components in some reference period are extrapolated over time using a set of volume index numbers.	16.55
Adjusted disposable income	<i>Adjusted disposable income</i> is derived from the disposable income of an institutional unit or sector by adding the value of the social transfers in kind receivable by that unit or sector and by subtracting the value of the social transfers in kind payable by that unit or sector.	8.24 [8.26]

Term	Definition	Paragraph(s)
Adjustment for the change in the net equity of households in pension fund reserves	The <i>adjustment for the change in the net equity of households in pension fund reserves</i> is equal to the total value of the actual social contributions payable into private funded pension schemes plus the total value of contribution supplements payable out of the property income attributed to insurance policy holders (i.e., holders of pension rights) minus the value of the associated service charges minus the total value of the pensions paid out as social insurance benefits by private funded pension schemes; this adjustment is designed to ensure that the balance of pension contributions over pension receipts (i.e., of "transfers" payable over "transfers" receivable) does not enter into household saving.	9.16 [10.30]
Aggregates of the SNA	The <i>aggregates of the SNA</i> - for example, value added, income, consumption and saving - are composite values which measure the result of the activity of the entire economy considered from a particular point of view; some aggregates may be obtained directly as totals of particular transactions (e.g. final consumption, gross fixed capital formation and social contributions) while others may result from summing up balancing items for the institutional sectors (e.g. value added, balance of primary incomes, disposable income and saving).	2.169 and 2.170
Allocation of primary income account	The <i>allocation of primary income account</i> focuses on resident institutional units or sectors in their capacity as recipients of primary incomes rather than as producers whose activities generate primary incomes; it lists two kinds of income under "resources": (a) primary incomes already recorded in the generation of income account that are receivable by resident institutional units, and (b) property incomes receivable from the ownership of financial or tangible non-produced assets (mainly land or sub-soil assets).	7.12 and 7.13
Analytical unit	For more refined analysis of the production process, use is made of an <i>analytical unit</i> of production: this unit, which is not always observable, is the unit of homogeneous production, defined as covering no secondary activities.	2.48
Ancillary activity	An <i>ancillary activity</i> is a supporting activity undertaken within an enterprise in order to create the conditions within which the principal or secondary activities can be carried out; ancillary activities generally produce services that are commonly found as inputs into almost any kind of productive activity and the value of an individual ancillary activity's output is likely to be small compared with the other activities of the enterprise (e.g. cleaning and maintenance of buildings).	5.9 and 5.10 [15.16]
Ancillary corporation	An <i>ancillary corporation</i> is a subsidiary corporation, wholly owned by a parent corporation, whose productive activities are ancillary in nature: that is, they are strictly confined to providing services to the parent corporation, or other ancillary corporations owned by the same parent corporation.	4.40
Antiques and other art objects	<i>Antiques and other art objects</i> are non-financial, tangible, produced assets that are not used primarily for production or consumption, that are expected to appreciate or at least not to decline in real value, that do not deteriorate over time under normal conditions and that are acquired and held primarily as stores of value; they comprise paintings, sculptures, etc., which are recognised as works of art and antiques.	(AN.132) - Annex to chapter XIII
Assets	<i>Assets</i> are entities functioning as stores of value and over which ownership rights are enforced by institutional units, individually or collectively, and from which economic benefits may be derived by their owners by holding them, or using them, over a period of time (the economic benefits consist of primary incomes derived from the use of the asset and the value, including possible holding gains/losses, that could be realised by disposing of the asset or terminating it).	10.2 and 13.12 [1.26]
Autonomous pension funds	<i>Autonomous pension funds</i> are separate institutional units established for purposes of providing incomes on retirement for specific groups of employees and which are organised, and directed, by private or public employers or jointly by the employers and their employees.	6.141
Balance of payments	The <i>balance of payments</i> is a statistical statement that systematically summarises, for a specific time period, the economic transactions of an economy with the rest of the world.	BPM 13

Term	Definition	Paragraph(s)
Balance of primary incomes	The <i>balance of primary incomes</i> is the total value of the primary incomes receivable by an institutional unit or sector less the total of the primary incomes payable; at the level of the total economy it is described as "national income".	7.14
Balance sheet	A <i>balance sheet</i> is a statement, drawn up at a particular point in time, of the values of assets owned by an institutional unit or sector and of the financial claims (i.e. liabilities) incurred by this unit or sector; for the economy as a whole, the balance sheet shows what is often referred to as "national wealth" - the sum of non-financial assets and net claims on the rest of the world..	13.1 and 13.2 [1.11, 2.93, 10.1]
Balancing item	An account is "closed" by introducing a <i>balancing item</i> defined residually as the difference between the two sides of the account; a balancing item typically encapsulates the net result of the activities covered by the account in question and is therefore an economic construct of considerable interest and analytical significance - for example, value added, disposable income, saving, net lending and net worth.	1.3 [3.64]
Barter transactions	<i>Barter transactions</i> involve two parties, with one party providing a good, service or asset other than cash to the other in return for a good, service or asset other than cash.	3.37
Base period	The period that provides the weights for an index is described as the <i>base period</i> .	16.16
Basic price	The <i>basic price</i> is the amount receivable by the producer from the purchaser for a unit of a good or service produced as output minus any tax payable, and plus any subsidy receivable, on that unit as a consequence of its production or sale; it excludes any transport charges invoiced separately by the producer.	6.205, 15.28 [3.82]
Bills	<i>Bills</i> are short-term securities that give the holder (creditor) the unconditional right to receive a stated fixed sum on a specified date.	7.97 [11.74]
Bonds and debentures	<i>Bonds and debentures</i> are long-term securities that give the holders the unconditional right to one or both of: (a) a fixed or contractually determined variable money income in the form of coupon payments, i.e. payment of interest is not dependent on earnings of the debtors, (b) a stated fixed sum as a repayment of principal on a specified date or dates when the security is redeemed.	7.100 and 11.74 [12.109]
Capital account	The <i>capital account</i> records all transactions in non-financial assets.	10.20 and 1.9
Capital consumption	<i>Capital consumption</i> See "Consumption of fixed capital".	
Capital formation	<i>Capital formation</i> See "gross capital formation" and "gross fixed capital formation".	
Capital gains	<i>Capital gains</i> See "holding gains".	
Capital levies	<i>Capital levies</i> consist of taxes on the values of the assets or net worth owned by institutional units levied at irregular, and very infrequent, intervals of time.	10.136
Capital stock - gross	<i>Gross capital stock</i> is the value of all fixed assets still in use at the actual or estimated current purchasers' prices for new assets of the same type, irrespective of the age of the assets.	6.199
Capital stock - net	The sum of the written-down values of all the fixed assets still in use is described as the <i>net capital stock</i> ; it can also be described as the difference between gross capital stock and consumption of fixed capital.	6.199
Capital taxes	<i>Capital taxes</i> consist of capital levies (i.e. those taxes levied at irregular and very infrequent intervals on the values of the assets or net worth owned by institutional units) and taxes on capital transfers (i.e. taxes on the values of assets transferred between institutional units as a result of legacies, gifts inter vivos (i.e. during the donor's life time) or other transfers).	10.136

Term	Definition	Paragraph(s)
Capital transfer in cash	A <i>capital transfer in cash</i> consists of the transfer of cash that the first party has raised by disposing of an asset or assets (other than inventories), or that the second party is expected, or required, to use for the acquisition of an asset, or assets (other than inventories); the second party, the recipient, is often obliged to use the cash to acquire an asset, or assets, as a condition on which the transfer is made.	10.132 [8.31]
Capital transfer in kind	A <i>capital transfer in kind</i> consists of the transfer of ownership of an asset (other than inventories and cash) or the cancellation of a liability by a creditor, without any counterpart being received in return.	10.132 [8.31]
Capital transfers	<i>Capital transfers</i> are transactions, either in cash or in kind, in which the ownership of an asset (other than cash and inventories) is transferred from one institutional unit to another, or in which cash is transferred to enable the recipient to acquire another asset, or in which the funds realised by the disposal of another asset are transferred.	10.29 [3.22, 8.3]
Capital transfers - other	<i>Other capital transfers</i> consist of all capital transfers except capital taxes and investment grants; they include, among others, cancellation of debt by mutual agreement between the creditor and debtor.	10.139
Car registration taxes	<i>Car registration taxes</i> are payments made periodically by car owners to government for the right to use the vehicle.	[7.70]
Cash accounting	<i>Cash accounting</i> records only cash payments/receipts and records them at the times the payments/receipts occur.	3.92
Cash transfer	A <i>cash transfer</i> consists of the payment of currency or transferable deposit by one unit to another without any counterpart.	8.27
Catastrophic losses	The volume changes recorded as <i>catastrophic losses</i> in the "other changes in the volume of assets account" are unanticipated losses resulting from large scale, discrete, and recognisable events that may destroy assets within any of the categories of assets.	12.35
Central bank	A <i>central bank</i> is the public financial corporation which is a monetary authority; that is, which issues banknotes and sometimes coins and may hold all or part of the international reserves of the country.	4.86
Central government	The political authority of <i>central government</i> extends over the entire territory of the country; central government has the authority to impose taxes on all resident and non-resident units engaged in economic activities within the country.	4.118
Central product classification (CPC)	The <i>central product classification (CPC)</i> is a classification based on the physical characteristics of goods or on the nature of the services rendered; each type of good or service distinguished in the CPC is defined in such a way that it is normally produced by only one activity as defined in ISIC.	5.44
Centre of economic interest	An institutional unit is said to have a <i>centre of economic interest</i> within a country when there exists some location within the economic territory of the country on or from which it engages, and intends to continue to engage, in economic activities and transactions on a significant scale, either indefinitely or over a finite but long period of time.	14.12 [4.15]
Chain indices	<i>Chain indices</i> are obtained by linking price (or volume) indices for consecutive periods, the short-term movements which are linked are calculated using weighting patterns appropriate to the periods concerned.	16.41
Change in real national net worth	The <i>change in real national net worth</i> is the sum of changes in net worth of all resident institutional sectors less the neutral holding gains/losses (that is, in proportion to the general price level); it is also equal to the sum of saving and capital transfers, other changes in volume of assets and real holding gains or losses.	2.186

Term	Definition	Paragraph(s)
Changes in inventories (including work-in-progress)	<i>Changes in inventories (including work-in-progress)</i> consist of changes in: (a) stocks of outputs that are still held by the units that produced them prior to their being further processed, sold, delivered to other units or used in other ways; and (b) stocks of products acquired from other units that are intended to be used for intermediate consumption or for resale without further processing; they are measured by the value of the entries into inventories less the value of withdrawals and the value of any recurrent losses of goods held in inventories.	10.7 and 10.28
Changes in net worth	<i>Changes in net worth</i> are equal to changes in assets less changes in liabilities.	2.148, 13.91 [2.93]
C.i.f. price	The <i>c.i.f. price</i> (i.e. cost, insurance and freight price) is the price of a good delivered at the frontier of the importing country, including any insurance and freight charges incurred to that point, or the price of a service delivered to a resident, before the payment of any import duties or other taxes on imports or trade and transport margins within the country; in SNA93 this concept is applied only to detailed imports.	15.35 [14.40]
Classification of individual consumption by purpose (COICOP)	The <i>classification of individual consumption by purpose (COICOP)</i> is a classification used to identify the objectives of both individual consumption expenditure and actual individual consumption.	18.7
Classification of outlays of producers by purpose (COPP)	The <i>classification of outlays of producers by purpose (COPP)</i> is used to classify expenditures by producers (intermediate consumption, compensation of employees, etc) by purpose (e.g. outlays on repair and maintenance or outlays on sales promotion).	18.13
Classification of the functions of government (COFOG)	The <i>classification of the functions of government (COFOG)</i> is a classification used to identify the socio-economic objectives of current transactions, capital outlays and acquisition of financial assets by general government and its sub-sectors.	18.9
Classification of the purposes of non-profit institutions (COPNI)	The <i>classification of the purposes of non-profit institutions (COPNI)</i> is a classification used to identify the socio-economic objectives of current transactions, capital outlays and acquisition of financial assets by non-profit institutions serving households.	18.12
Coal, oil and natural gas reserves	<i>Coal, oil and natural gas reserves</i> consist of proven reserves of anthracite, bituminous and brown coal deposits and of petroleum and natural gas reserves and fields.	(AN.2121) - Annex to chapter XIII
Coefficient table	A <i>coefficient (input-output) table</i> records the amount of each product (or the amount of output by each industry) used as input per unit of output of the various products/industries.	15.175
COFOG (classification of the functions of government)	<i>COFOG (classification of the functions of government)</i> is a classification used to identify the socio-economic objectives of current transactions, capital outlays and acquisition of financial assets by general government and its sub-sectors.	18.9
COICOP (classification of individual consumption by purpose)	<i>COICOP (classification of individual consumption by purpose)</i> is a classification used to identify the objectives of both individual consumption expenditure and actual individual consumption.	18.7
Collective consumption service	A <i>collective consumption service</i> is a service provided by general government simultaneously to all members of the community or to all members of a particular section of the community, such as all households living in a particular region.	9.43
Compensation of employees	<i>Compensation of employees</i> is the total remuneration, in cash or in kind, payable by enterprises to employees in return for work done by the latter during the accounting period.	7.21 [7.31]

Term	Definition	Paragraph(s)
Computer software	<i>Computer software</i> is an asset consisting of computer programs, program descriptions and supporting materials for both systems and applications software; included are purchased software and software developed on own account, if the expenditure is large.	(AN.1122) - Annex to chapter XIII
Consolidation	<i>Consolidation</i> is a special kind of cancelling out of flows and stocks; it involves the elimination of those transactions or debtor/creditor relationships which occur between two transactors belonging to the same institutional sector or sub-sector.	3.121 [11.52]
Constant prices	<i>Constant prices</i> are obtained by directly factoring changes over time in the values of flows or stocks of goods and services into two components reflecting changes in the prices of the goods and services concerned and changes in their volumes (i.e. changes in "constant price terms"); the term "at constant prices" commonly refers to series which use a fixed-base Laspeyres formula.	16.2
Consumer durables	<i>Consumer durables</i> are durable goods acquired by households for final consumption (i.e. those that are not used by households as stores of value or by unincorporated enterprises owned by households for purposes of production); they may be used for purposes of consumption repeatedly or continuously over a period of a year or more.	(AN.m) - Annex to chapter XIII and 9.38
Consumption	<i>Consumption</i> is an activity in which institutional units use up goods or services; consumption can be either intermediate or final.	1.49
Consumption good or service	A <i>consumption good or service</i> is one that is used (without further transformation in production) by households, NPISHs or government units for the direct satisfaction of individual needs or wants or the collective needs of members of the community.	9.41
Consumption of fixed capital	<i>Consumption of fixed capital</i> represents the reduction in the value of the fixed assets used in production during the accounting period resulting from physical deterioration, normal obsolescence or normal accidental damage.	10.27 [6.179, 10.118]
Contingent assets	<i>Contingent assets</i> arise from contractual financial arrangements between institutional units which do not give rise to unconditional requirements either to make payments or to provide other objects of value; often the arrangements themselves do not have transferable economic value so they are not actual current financial assets and so they should not be recorded in the SNA; the principal characteristic of contingencies is that one or more conditions must be fulfilled before a financial transaction takes place.	11.25
Control of a corporation	<i>Control of a corporation</i> occurs when a single institutional unit owning more than a half of the shares, or equity, of a corporation is able to control its policy and operations by outvoting all other shareholders, if necessary; similarly, a small, organised group of shareholders whose combined ownership of shares exceeds 50 per cent of the total is able to control the corporation by acting in concert; in practice, when ownership of shares is widely diffused among a large number of shareholders, control may be secured by owning 20 per cent or less of the total shares.	4.27 and 4.28
COPNI (classification of the purposes of non-profit institutions)	<i>COPNI (classification of the purposes of non-profit institutions)</i> is a classification used to identify the socio-economic objectives of current transactions, capital outlays and acquisition of financial assets by non-profit institutions serving households.	18.12
COPP (classification of outlays of producers by purpose)	<i>COPP (classification of outlays of producers by purpose)</i> is used to classify expenditures by producers (intermediate consumption, compensation of employees, etc) by purpose (e.g. outlays on repair and maintenance or outlays on sales promotion).	18.13
Corporation	A <i>corporation</i> is a legal entity, created for the purpose of producing goods or services for the market, that may be a source of profit or other financial gain to its owner(s); it is collectively owned by shareholders who have the authority to appoint directors responsible for its general management.	4.23 [4.18]

Term	Definition	Paragraph(s)
CPC (central product classification)	The <i>CPC (central product classification)</i> is a classification based on the physical characteristics of goods or on the nature of the services rendered; each type of good or service distinguished in the CPC is defined in such a way that it is normally produced by only one activity as defined in ISIC.	5.44
Credit derivatives	<i>Credit derivatives</i> are financial derivatives whose primary purpose is to trade credit risk; they are designed for trading in loan and security default risk and can take the form of both forward-type and option-type contracts and, like other financial derivatives, they are frequently drawn up under standard master legal agreements, and involve collateral and margining procedures.	11.42
Cross-currency interest rate swaps	<i>Cross-currency interest rate swaps</i> (sometimes known as "currency swaps") involve an exchange of cash flows related to interest payments and an exchange of principal amounts at an agreed exchange rate at the end of the contract; there might also be an exchange of principal at the beginning of the contract and, in these circumstances, there may be subsequent repayments, which include both interest and principal, over time according to the predetermined rules.	11.38
Cultivated assets	<i>Cultivated assets</i> are livestock (including fish and poultry), dairy, draught, etc and vineyards, orchards and other plantations of trees yielding repeat products that are under the direct control, responsibility and management of institutional units.	(AN.1114) - Annex to chapter XIII [10.83]
Currency	<i>Currency</i> comprises those notes and coins in circulation that are commonly used to make payments.	11.70, (AF.21) - Annex to chapter XIII
Currency and deposits	<i>Currency and deposits</i> are financial assets that are used to make payments or that may be included in money, broadly defined, consisting of currency, transferable deposits and other deposits.	(AF.2) - Annex to chapter XIII
Currency swaps	<i>Currency swaps</i> (also known as "cross-currency interest rate swaps") involve an exchange of cash flows related to interest payments and an exchange of principal amounts at an agreed exchange rate at the end of the contract; there might also be an exchange of principal at the beginning of the contract, and, in these circumstances, there may be subsequent repayments, which include both interest and principal, over time according to the predetermined rules.	11.38
Current account (balance of payments)	The <i>current account (balance of payments)</i> refers to the external account of goods and services, primary incomes, and current transfers.	14.148 [BPM 149]
Current accounts	<i>Current accounts</i> record the production of goods and services, the generation of incomes by production, the subsequent distribution and redistribution of incomes among institutional units, and the use of incomes for purposes of consumption or saving.	1.5 [2.102]
Current cost accounting	<i>Current cost accounting</i> is a valuation method whereby assets and goods used in production are valued at their actual or estimated current market prices at the time the production takes place (it is sometimes described as "replacement cost accounting").	1.60
Current external balance	The <i>current external balance</i> is the balancing item in the external account of primary income and current transfers.	Table 14.1 V.1 [2.167]
Current international cooperation	<i>Current international cooperation</i> consists of current transfers in cash or in kind between the governments of different countries or between governments and international organisations.	8.92
Current taxes on capital	<i>Current taxes on capital</i> consist of taxes that are payable periodically, usually annually, on the property or net wealth of institutional units, excluding taxes on land or other assets owned or rented by enterprises and used by them for production.	8.53 [OECD 4100, OECD 4200, OECD 4600]
Current taxes on income, wealth, etc	Most <i>current taxes on income, wealth, etc</i> consist of taxes on the incomes of households or profits of corporations and taxes on wealth that are payable regularly every tax period (as distinct from capital taxes levied infrequently).	8.6

Term	Definition	Paragraph(s)
Current taxes on land and buildings	<i>Current taxes on land and buildings</i> consist of taxes payable periodically, in most cases annually, on the use or ownership of land or buildings by owners (including owner-occupiers of dwellings), tenants or both, excluding taxes on land or buildings rented or owned by enterprises and used by them in production.	8.53 [OECD 4100]
Current taxes on net wealth	<i>Current taxes on net wealth</i> consist of taxes payable periodically, in most cases annually, on the value of land or fixed assets less any debt incurred on those assets, excluding taxes on assets owned by enterprises and used by them in production.	8.53 [OECD 4200]
Current taxes on other assets	<i>Current taxes on other assets</i> include taxes payable periodically, usually annually, on assets such as jewellery or other external signs of wealth.	8.53 [OECD 4600]
Current transfers	<i>Current transfers</i> consist of all transfers that are not transfers of capital; they directly affect the level of disposable income and should influence the consumption of goods or services.	8.32 [3.22, 8.3, 10.133]
Current transfers between households	<i>Current transfers between households</i> consist of all current transfers in cash or in kind made, or received, by resident households to or from other resident or non-resident households.	8.95
Current transfers - fines and penalties	<i>Fines and penalties</i> imposed on institutional units by courts of law or quasi-judicial bodies are treated as compulsory <i>current transfers</i> .	8.96
Current transfers from/to abroad	<i>Current transfers</i> which take place between resident and non-resident institutional units are referred to as <i>current transfers from/to abroad</i> .	8.4
Current transfers - lotteries and gambling	<i>Current transfers - lotteries and gambling</i> consist of the amounts paid out to the winners.	8.97
Current transfers - payments of compensation	<i>Payments of compensation</i> consist of <i>current transfers</i> paid by institutional units to other institutional units in compensation for injury to persons or damage to property caused by the former excluding payments of non-life insurance claims.	8.98
Current transfers to NPISHs	Most <i>current transfers</i> to NPISHs consist of cash transfers received by NPISHs from other resident or non-resident institutional units in the form of membership dues, subscriptions, voluntary donations, etc whether made on a regular or occasional basis.	8.94
Current transfers within general government	<i>Current transfers within general government</i> consist of current transfers between different government units or different sub-sectors of general government; they include current transfers between different levels of government, such as frequently occur between central and state or local government units, and between government units and social security funds.	8.90
Debt defeasance	<i>Debt defeasance</i> allows a debtor (whose debts are in the form generally of securities other than shares and loans) to remove certain liabilities from the balance sheet by pairing irrevocably assets of equal value to the liabilities.	11.24
Debt forgiveness	<i>Debt forgiveness</i> occurs when a debtor and creditor become parties to a bilateral agreement that a financial claim no longer exists.	11.23 [BPM 532]
Deductible VAT	<i>Deductible VAT</i> is the VAT payable on purchases of goods or services intended for intermediate consumption, gross fixed capital formation or for resale which a producer is permitted to deduct from his own VAT liability to the government in respect of VAT invoiced to his customers.	6.209
Deep-discount bonds	<i>Deep-discount bonds</i> are bonds under which periodic cash flows are made that cover some of the interest liability during the life of the instrument but the amount is substantially below market interest; the difference between the discounted issue price and the price at maturity is substantial and, in the SNA, that difference is treated as interest and is recorded as accruing over the life of the bond rather than when due for payment.	11.77

Term	Definition	Paragraph(s)
Defined benefit pension plans	<i>Defined benefit pension plans</i> are those in which the level of pension benefits promised to participating employees is guaranteed; benefits are related by some formula to participants' length of service and salary and are not totally dependent on either the participants' contributions or the assets in the fund.	13.78
Defined contribution pension plans	<i>Defined contribution pension plans</i> See "Money purchase pension plans"	
Demonetisation (of gold)	If authorities release monetary gold from their holdings for non-monetary purposes e.g. for sale to private holders or users, they are deemed to have <i>demonetised gold</i> .	11.65
Depletion of natural economic assets	The <i>depletion of natural economic assets</i> is the reduction in the value of deposits of subsoil assets as a result of their physical removal, the depletion of water resources, and the depletion of natural forests, fishstocks in the open seas and other non-cultivated biological resources as a result of harvesting, forest clearance, or other use.	12.29 and 12.30
Deposit money corporations	<i>Deposit money corporations</i> consist of resident depository corporations and quasi-corporations which have any liabilities in the form of deposits payable on demand, transferable by cheque or otherwise usable for making payments.	4.93
Deposits - other	In the financial accounts, the term <i>other deposits</i> includes all claims, other than transferable deposits, on the central bank, other depository institutions, government units and, in some cases, other institutional units that are represented by evidence of deposit.	11.72, (AE.29) - Annex to chapter XIII
Depreciation	<i>Depreciation</i> as usually calculated in business accounts is a method of allocating the costs of past expenditures on fixed assets over subsequent accounting periods; note that the depreciation methods favoured in business accounting and those prescribed by tax authorities almost invariably deviate from the concept of consumption of fixed capital employed in the SNA and so the term "consumption of fixed capital" is used in the SNA to distinguish it from "depreciation" as typically measured in business accounts.	1.62, 3.77 and 6.183
Direct investment enterprise - foreign	A <i>foreign direct investment enterprise</i> is an incorporated or unincorporated enterprise in which a direct investor resident in another economy owns 10 per cent or more of the ordinary shares or voting power (for an incorporated enterprise) or the equivalent (for an unincorporated enterprise).	14.152, BPM 362 [7.119]
Disposable income	<i>Disposable income</i> is derived from the balance of primary incomes of an institutional unit or sector by adding all current transfers, except social transfers in kind, receivable by that unit or sector and subtracting all current transfers, except social transfers in kind, payable by that unit or sector; it is the balancing item in the Secondary Distribution of Income Account.	8.11
Disposals	<i>Disposals</i> of assets (inventories, fixed assets or land or other non-produced assets) by institutional units occur when one of those units sells or transfers any of the assets to another institutional unit; when the ownership of an existing fixed asset is transferred from one resident producer to another, the value of the asset sold, bartered or transferred is recorded as negative gross fixed capital formation by the former and as positive gross fixed capital formation by the latter.	10.40 [9.32]
Distributed income of corporations	The <i>distributed income of corporations</i> consists of dividends plus withdrawals from income of quasi-corporations.	7.112 - 7.118
Distribution and use of income accounts	The <i>distribution and use of income accounts</i> consist of a set of articulated accounts showing how incomes are: (a) generated by production; (b) along with property income, distributed to institutional units with claims on the value added created by production; (c) redistributed among institutional units, mainly by government units through social security contributions and benefits and taxes; and (d) eventually used by households, government units or non-profit institutions serving households (NPSHs) for purposes of final consumption or saving.	1.7 and Table 2.8

Term	Definition	Paragraph(s)
Distributive transactions	<i>Distributive transactions</i> consist of transactions by which the value added generated by production is distributed to labour, capital and government and of transactions involving the redistribution of income and wealth (taxes on income and wealth and other transfers).	2.31
Dividends	<i>Dividends</i> are a form of property income to which shareholders become entitled, once declared, as a result of placing funds at the disposal of corporations.	7.113
Double deflation	<i>Double deflation</i> is a method whereby gross value added is measured at constant prices by subtracting intermediate consumption at constant prices from output at constant prices; this method is feasible only for constant price estimates which are additive, such as those calculated using a Laspeyres' formula (either fixed-base or for estimates expressed in the previous year's prices).	16.5
Double entry	For a unit or sector, national accounting is based on the principle of <i>double entry</i> , as in business accounting, whereby each transaction must be recorded twice, once as a resource (or a change in liabilities) and once as a use (or a change in assets).	2.57
Due-for-payment recording	<i>Due-for-payment recording</i> is an accounting method showing flows which give rise to cash payments at the latest times they can be paid without incurring additional charges or penalties and, in addition to these, actual cash payments at the moments they occur; the period of time (if any) between the moment a payment becomes due and the moment it is actually made is bridged by recording a receivable or a payable in the financial accounts (see also "Accrual accounting").	3.93
Durable good	A <i>durable good</i> is one which may be used repeatedly or continuously over a period of more than a year, assuming a normal or average rate of physical usage.	9.38
Dwellings	<i>Dwellings</i> are buildings that are used entirely or primarily as residences, including any associated structures, such as garages, and all permanent fixtures customarily installed in residences; movable structures, such as caravans, used as principal residences of households are included.	(AN.1111) - Annex to chapter XIII
Economic assets	<i>Economic assets</i> are entities functioning as stores of value and over which ownership rights are enforced by institutional units, individually or collectively, and from which economic benefits may be derived by their owners by holding them, or using them, over a period of time (the economic benefits consist of primary incomes derived from the use of the asset and the value, including possible holding gains/losses, that could be realised by disposing of the asset or terminating it).	10.2 and 13.12 [11.16]
Economic flows	<i>Economic flows</i> reflect the creation, transformation, exchange, transfer or extinction of economic value; they involve changes in the volume, composition, or value of an institutional unit's assets and liabilities.	3.9
Economic interest - centre of	An institutional unit is said to have a <i>centre of economic interest</i> within a country when there exists some location within the economic territory of the country on, or from, which it engages, and intends to continue to engage, in economic activities and transactions on a significant scale, either indefinitely or over a finite but long period of time.	14.12 [4.15]
Economic production	<i>Economic production</i> is an activity carried out under the control and responsibility of an institutional unit that uses inputs of labour, capital, and goods and services to produce outputs of goods or services.	6.15

Term	Definition	Paragraph(s)
Economic territory (of a country)	The <i>economic territory of a country</i> consists of the geographic territory administered by a government within which persons, goods, and capital circulate freely; it includes: (a) the airspace, territorial waters, and continental shelf lying in international waters over which the country enjoys exclusive rights or over which it has, or claims to have, jurisdiction in respect of the right to fish or to exploit fuels or minerals below the sea bed; (b) territorial enclaves in the rest of the world; and (c) any free zones, or bonded warehouses or factories operated by offshore enterprises under customs control (these form part of the economic territory of the country in which they are physically located).	14.9
Economic territory (of an international organisation)	The <i>economic territory of an international organisation</i> consists of the territorial enclave, or enclaves, over which it has jurisdiction; these consist of clearly demarcated areas of land or structures which the international organisation owns or rents and which it uses for the purposes for which the organisation was created by formal agreement with the country, or countries, in which the enclave or enclaves are physically located.	14.10
Economically active persons	<i>Economically active persons</i> are persons engaged in production included within the boundary of production of the SNA.	6.22
Economically significant prices	<i>Prices</i> are said to be <i>economically significant</i> when they have a significant influence on the amounts the producers are willing to supply and on the amounts purchasers wish to buy.	6.45 [4.58]
Employee	An <i>employee</i> is a person who enters an agreement, which may be formal or informal, with an enterprise to work for the enterprise in return for remuneration in cash or in kind.	7.23
Employees' social contributions	<i>Employees' social contributions</i> are the amounts payable by employees to social security funds and private funded social insurance schemes.	8.69
Employers	<i>Employers</i> are self-employed persons with paid employees.	7.25
Employers' actual social contributions	<i>Employers' actual social contributions</i> are the amounts payable by employers for the benefit of their employees to social security funds, insurance enterprises, autonomous pension funds or other institutional units responsible for the administration and management of social insurance schemes.	7.44 [8.67]
Employers' imputed social contributions	<i>Employers' imputed social contributions</i> are equal in value to the amount of social contributions that would be needed to secure the de facto entitlements to the social benefits they accumulate; they arise only in cases where social benefits are provided by employers directly to their employees, former employees or dependants out of their own resources without involving an insurance enterprise or autonomous pension fund, and without creating a special fund or segregated reserve for the purpose.	7.45
Employers' social contributions	<i>Employers' social contributions</i> are payments (either actual or imputed) by employers which are intended to secure for their employees the entitlement to social benefits should certain events occur, or certain circumstances exist, that may adversely affect their employees' income or welfare - sickness, accidents, redundancy, retirement, etc.	7.43
Enterprise	An <i>enterprise</i> is an institutional unit in its capacity as a producer of goods and services; an enterprise may be a corporation, a quasi-corporation, a non-profit institution, or an unincorporated enterprise.	5.17 [5.1]
Entertainment, literary or artistic originals	<i>Entertainment, literary or artistic originals</i> are the original films, sound recordings, manuscripts, tapes, models, etc., on which drama performances, radio and television programming, musical performances, sporting events, literary and artistic output, etc. are recorded or embodied.	(AN.1123) - Annex to chapter XIII

Term	Definition	Paragraph(s)
Entrepreneurial income	The <i>entrepreneurial income</i> for a corporation, quasi-corporation, or institutional unit owning an unincorporated enterprise engaged in market production is its operating surplus or mixed income plus property income receivable on the financial or other assets owned by the enterprise, minus interest payable on the liabilities of the enterprise and rents payable on land or other tangible non-produced assets rented by the enterprise.	7.18
Establishment	An <i>establishment</i> is an enterprise, or part of an enterprise, that is situated in a single location and in which only a single (non-ancillary) productive activity is carried out or in which the principal productive activity accounts for most of the value added.	5.21, 6.80
Excise duties	<i>Excise duties</i> consist of special taxes levied on specific kinds of goods, typically alcoholic beverages, tobacco and fuels; they may be imposed at any stage of production or distribution and are usually assessed by reference to the weight or strength or quantity of the product.	7.69 and OECD 5121
Existing fixed asset	An <i>existing fixed asset</i> is one that has already been acquired by at least one resident user, or produced on own account, and whose value has, therefore, already been included in the gross fixed capital formation of at least one user at some earlier point in time in the current or some previous accounting period.	10.39
Existing good	An <i>existing good</i> is a good which has already been disposed of to a user by the unit that produced or imported it, either in the current or a previous period.	9.31
Expenditure taxes	<i>Expenditure taxes</i> are taxes payable on the total expenditures of persons or households instead of on their incomes; they are part of "miscellaneous current taxes".	8.54 [OECD 6000]
Expenditures	<i>Expenditures</i> are the values of the amounts that buyers pay, or agree to pay, to sellers in exchange for goods or services that sellers provide to them or to other institutional units designated by the buyers.	9.22
Expenditures on goods and services produced on own account	<i>Expenditures on goods and services produced on own account</i> are the imputed values of goods or services produced as outputs of unincorporated enterprises owned by households that are retained for consumption by members of the household.	9.52
Export duties	<i>Export duties</i> consist of general or specific taxes on goods or services that become payable when the goods leave the economic territory or when the services are delivered to non-residents; profits of export monopolies and taxes resulting from multiple exchange rates are excluded.	7.68 [OECD 5124]
Export subsidies	<i>Export subsidies</i> consist of all subsidies on goods and services that become payable to resident producers when the goods leave the economic territory or when the services are delivered to non-resident units; they include direct subsidies on exports, losses of government trading enterprises in respect of trade with non-residents, and subsidies resulting from multiple exchange rates.	7.76
Export taxes	<i>Export taxes</i> are taxes on goods or services that become payable when the goods leave the economic territory or when the services are delivered to non-residents; they include export duties, profits of export monopolies and taxes resulting from multiple exchange rates.	7.68 [15.47]
Exports of goods and services	<i>Exports of goods and services</i> consist of sales, barter, or gifts or grants, of goods and services from residents to non-residents; the treatment of exports and imports in the SNA is generally identical with that in the balance of payments accounts as described in the Balance of Payments Manual.	14.88 [14.91, 14.94]
External assets and liabilities account	The <i>external assets and liabilities account</i> reflects the level and composition of the stock of external financial assets and liabilities of the economy that result from the external transactions accounts and accumulation accounts.	14.156
External balance of goods and services	The <i>external balance of goods and services</i> is the value of exports of goods and services less imports of goods and services.	2.166 and Table 2.3 V.1

Term	Definition	Paragraph(s)
Externalities	<i>Externalities</i> are changes in the condition or circumstances of institutional units caused by the economic actions of other units without the consent of the former.	[3.51]
Factor cost	Gross value added at factor cost is not a concept used explicitly in the SNA but it can easily be derived by subtracting the value of any taxes, less subsidies, on production payable out of gross value added.	6.229
Factor reversal test	The <i>factor reversal test</i> requires that multiplying a price index and a volume index of the same type should be equal to the proportionate change in the current values (e.g. the "Fisher Ideal" price and volume indexes satisfy this test, unlike either the Paasche or Laspeyres indexes).	16.24
FIFO (first-in-first-out)	<i>FIFO (first-in-first-out)</i> is an inventory valuation method based on the assumption that goods are withdrawn from inventories in the same order as they entered.	6.70
Final consumption	<i>Final consumption</i> consists of goods and services used up by individual households or the community to satisfy their individual or collective needs or wants.	1.49
Final consumption expenditure of government	<i>Government final consumption expenditure</i> consists of expenditure, including imputed expenditure, incurred by general government on both individual consumption goods and services and collective consumption services.	9.94
Final consumption expenditure of households	<i>Household final consumption expenditure</i> consists of the expenditure, including imputed expenditure, incurred by resident households on individual consumption goods and services, including those sold at prices that are not economically significant.	9.94 [9.45]
Final consumption expenditure of NPISHs	<i>Final consumption expenditure of NPISHs</i> consists of the expenditure, including imputed expenditure, incurred by resident NPISHs on individual consumption goods and services.	9.94
Final expenditure	<i>Final expenditure</i> consists of final consumption expenditure and gross fixed capital formation.	[1.57]
Final use quadrant	The <i>final use quadrant</i> (of the "use table" in an input-output system) shows exports, final consumption expenditure and gross capital formation at purchasers' prices in the columns each classified by products in the rows.	15.73
Financial account	The <i>financial account</i> records all transactions in financial assets and liabilities.	11.1 [1.9, 11.103]
Financial assets	<i>Financial assets</i> are entities over which ownership rights are enforced by institutional units, individually or collectively, and from which economic benefits may be derived by their owners by holding them, or using them over a period of time; they differ from other assets in the SNA in that there is a counterpart liability on the part of another institutional unit (except for monetary gold and Special Drawing Rights (SDRs)).	13.20 [10.5, 11.16, 11.17, (AF) - Annex to chapter XIII]
Financial auxiliaries	<i>Financial auxiliaries</i> consist of all resident corporations and quasi-corporations engaged primarily in activities closely related to financial intermediation but which do not themselves perform an intermediation role.	4.96
Financial claims	<i>Financial claims</i> and obligations arise out of contractual relationships between pairs of institutional units; a financial claim, (a) entitles a creditor to receive a payment, or payments, from a debtor in circumstances specified in a contract between them; or (b) specifies between the two parties certain rights or obligations, the nature of which requires them to be treated as financial.	11.17 [10.4, 11.18]
Financial corporations	<i>Financial corporations</i> consist of all resident corporations or quasi-corporations principally engaged in financial intermediation or in auxiliary financial activities which are closely related to financial intermediation.	4.77 [2.20]

Term	Definition	Paragraph(s)
Financial derivatives	Financial derivatives are financial instruments that are linked to a specific financial instrument or indicator or commodity, and through which specific financial risks can be traded in financial markets in their own right; their value derives from the price of the underlying item (i.e. the reference price) and, unlike debt instruments, no principal amount is advanced to be repaid and no investment income accrues.	11.34 [(AF) - Annex to chapter XIII]
Financial enterprises	<i>Financial enterprises</i> are enterprises that are principally engaged in financial intermediation or in auxiliary financial activities which are closely related to financial intermediation.	4.79
Financial intermediaries	<i>Financial intermediaries</i> are units which incur liabilities on their own account on financial markets by borrowing funds which they lend on different terms and conditions to other institutional units.	6.121
Financial intermediation	<i>Financial intermediation</i> is a productive activity in which an institutional unit incurs liabilities on its own account for the purpose of acquiring financial assets by engaging in financial transactions on the market; the role of financial intermediaries is to channel funds from lenders to borrowers by intermediating between them.	4.78
Financial intermediation services indirectly measured (FISIM)	<i>Financial intermediation services indirectly measured (FISIM)</i> is an indirect measure of the value of financial intermediation services provided but for which financial institutions do not charge explicitly.	6.124
Financial lease	A <i>financial lease</i> is a contract between lessor and lessee whereby the lessor purchases a good that is put at the disposal of the lessee and the lessee pays rentals that enable the lessor, over the period of the contract, to cover all, or virtually all, costs, including interest; all the risks and rewards of ownership are, de facto, transferred from the legal owner of the good (the lessor) to the user of the good (the lessee).	13.23 [6.118, 7.107, 10.44]
Financial transactions	<i>Financial transactions</i> between institutional units and between institutional units and the rest of the world cover all transactions involving change of ownership of financial assets, including the creation and liquidation of financial claims.	11.13
Finished goods - inventories	<i>Inventories of finished goods</i> consist of goods that are ready for sale or shipment by the producer but which are still held by the producer.	(AN.123) - Annex to chapter XIII [10.111]
First-in-first-out (FIFO)	<i>First-in-first-out (FIFO)</i> is an inventory valuation method based on the assumption that goods are withdrawn from inventories in the same order as they entered.	6.70
Fisher's Ideal Index (price)	<i>Fisher's Ideal price index</i> is the geometric mean of the Laspeyres and Paasche price indices.	16.24
Fisher's Ideal Index (volume)	<i>Fisher's Ideal volume index</i> is the geometric mean of the Laspeyres and Paasche volume indices.	16.24
FISIM (financial intermediation services indirectly measured)	<i>FISIM (financial intermediation services indirectly measured)</i> is an indirect measure of the value of financial intermediation services provided but for which financial institutions do not charge explicitly.	6.124
Fixed asset- existing	An <i>existing fixed asset</i> is one which has already been acquired by at least one resident user, or produced on own account, and whose value has, therefore, already been included in the gross fixed capital formation of at least one user at some earlier point in time in the current or some previous accounting period.	10.39
Fixed assets	<i>Fixed assets</i> are tangible or intangible assets produced as outputs from processes of production that are themselves used repeatedly or continuously in other processes of production for more than one year.	10.33 [1.49, 10.7, 10.26, 13.15, (AN.11) - Annex to chapter XIII]

Term	Definition	Paragraph(s)
Flows - economic	<i>Economic flows</i> reflect the creation, transformation, exchange, transfer or extinction of economic value; they involve changes in the volume, composition, or value of an institutional unit's assets and liabilities.	3.9
Flows in real terms	Many <i>flows</i> , such as cash transfers or gross operating surplus, do not have price and quantity dimensions of their own into which they can be decomposed so such flows cannot be measured at constant prices; however, they can be measured "in real terms" by deflating their values by price indices in order to measure their real purchasing power over some selected basket of goods and services that serves as numeraire.	16.2
F.o.b. price	The <i>f.o.b. price</i> (free on board price) of exports and imports of goods is the market value of the goods at the point of uniform valuation, (the customs frontier of the economy from which they are exported); it is equal to the c.i.f. price less the costs of transportation and insurance charges, between the customs frontier of the exporting (importing) country and that of the importing (exporting) country.	14.36 and 14.40 [15.36]
Foreign assets	<i>Foreign assets</i> consist mainly of financial claims over non-resident institutional units.	12.113
Foreign controlled corporations (non-financial and financial)	<i>Foreign controlled corporations</i> (non-financial and financial) consist of all resident corporations and quasi-corporations that are controlled by non-resident institutional units.	4.76 and 4.84
Foreign direct investment	<i>Foreign direct investment</i> is the category of international investment that reflects the objective of a resident entity in one economy to obtain a lasting interest in an enterprise resident in another economy.	14.151 and 14.152 [Table 11.2, BPM 359 and 362]
Foreign direct investment enterprise	A <i>foreign direct investment enterprise</i> is an incorporated or unincorporated enterprise in which a direct investor resident in another economy owns 10 per cent or more of the ordinary shares or voting power (for an incorporated enterprise) or the equivalent (for an unincorporated enterprise).	14.152, BPM 362 [7.119]
Foreign exchange swap	A <i>foreign exchange swap</i> is a spot sale/purchase of currencies and a simultaneous forward purchase/sale of the same currencies.	11.38
Forward foreign exchange contracts	<i>Forward foreign exchange contracts</i> involve two counterparties who agree to transact in foreign currencies at an agreed exchange rate in a specified amount at some agreed future date.	11.38
Forward contract	A <i>forward contract</i> is an unconditional financial contract that represents an obligation for settlement on a specified date; at the inception of the contract, risk exposures of equal market value are exchanged and hence the contract has zero value; some time must elapse for the market value of each party's risk to differ so that an asset (creditor) position is created for one party and a liability (debtor) position for the other; forward contracts are typically, but not always, settled by the payment of cash or the provision of some other financial instrument rather than the actual delivery of the underlying item and therefore are valued and traded separately from the underlying item.	11.37
Forward rate agreements (FRAs)	<i>Forward rate agreements (FRAs)</i> are arrangements in which two parties, in order to protect themselves against interest rate changes, agree on a notional interest rate to be paid, at a specified settlement date, on a notional amount of principal that is never exchanged; FRAs are settled by net cash payments and the only payment that takes place relates to the difference between the agreed FRA rate and the prevailing market rate at the time of settlement.	11.38 [7.106]
Full-time equivalent employment	<i>Full-time equivalent employment</i> is the number of full-time equivalent jobs, defined as total hours worked divided by average annual hours worked in full-time jobs.	17.14 [15.102, 17.28]
Function	The concept of <i>purpose, or function</i> , relates to the type of need a transaction or group of transactions aims to satisfy or the kind of objective it pursues.	2.50

Term	Definition	Paragraph(s)
Functional classifications	<i>Functional classifications</i> provide a means of classifying, by purpose or socio-economic objective, certain transactions of producers and of three institutional sectors - namely households, general government and non-profit institutions serving households (NPISHs).	18.1
Futures contracts	<i>Futures contracts</i> are forward contracts traded on organised exchanges.	11.37
GDP - expenditure based	<i>Expenditure-based GDP</i> is total final expenditures at purchasers' prices (including the f.o.b. value of exports of goods and services), less the f.o.b. value of imports of goods and services.	6.235
GDP - income based	<i>Income-based GDP</i> is compensation of employees, plus taxes less subsidies on production and imports, plus gross mixed income, plus gross operating surplus.	2.222
GDP - output based	<i>Output-based GDP</i> is the sum of the gross values added of all resident producers at basic prices, plus all taxes less subsidies on products.	6.235 - 6.237
GDP at market prices	<i>GDP at market prices</i> is the sum of the gross values added of all resident producers at market prices, plus taxes less subsidies on imports.	6.235
General government	The <i>general government sector</i> consists of the totality of institutional units which, in addition to fulfilling their political responsibilities and their role of economic regulation, produce principally non-market services (possibly goods) for individual or collective consumption and redistribute income and wealth.	2.20
General sales taxes	<i>General sales taxes</i> consist of all general taxes levied at one stage only (e.g. manufacturing or wholesale or retail) plus multi-stage cumulative taxes (also known as cascade taxes) where tax is levied each time a transaction takes place without any deduction for tax paid on inputs.	OECD 5112 and 5113 [7.69]
Generation of income account	The <i>generation of income account</i> shows the types of primary incomes and the sectors, sub-sectors or industries in which the primary incomes originate, as distinct from the sectors or sub-sectors destined to receive such incomes.	7.3
Geometric depreciation	<i>Geometric depreciation</i> is a depreciation profile based on the efficiency and rentals on a fixed asset declining at a constant geometric rate from period to period.	6.195
GNI (gross national income)	<i>GNI (gross national income)</i> is GDP less net taxes on production and imports, less compensation of employees and property income payable to the rest of the world plus the corresponding items receivable from the rest of the world (in other words, GDP less primary incomes payable to non-resident units plus primary incomes receivable from non-resident units); an alternative approach to measuring GNI at market prices is as the aggregate value of the balances of gross primary incomes for all sectors; (note that GNI is identical to gross national product (GNP) as previously used in national accounts generally)	2.181 and 7.16 and Table 7.2 [2.181]
Goods	<i>Goods</i> are physical objects for which a demand exists, over which ownership rights can be established and whose ownership can be transferred from one institutional unit to another by engaging in transactions on markets; they are in demand because they may be used to satisfy the needs or wants of households or the community or used to produce other goods or services.	6.7
Goods and services account	The <i>goods and services account</i> shows for the economy as a whole and for groups of products, the total resources in terms of output and imports, and the uses of goods and services in terms of intermediate consumption, final consumption, gross capital formation and exports.	15.5
Goods for resale - inventories	<i>Inventories of goods for resale</i> are goods acquired by enterprises, such as wholesalers and retailers, for the purpose of reselling them without further processing (that is, not transformed other than by presenting them in ways that are attractive to the customer).	(AN.124) - Annex to chapter XIII [10.113]

Term	Definition	Paragraph(s)
Government final consumption expenditure	<i>Government final consumption expenditure</i> consists of expenditure, including imputed expenditure, incurred by general government on both individual consumption goods and services and collective consumption services.	9.94
Government units	<i>Government units</i> are unique kinds of legal entities established by political processes which have legislative, judicial or executive authority over other institutional units within a given area.	4.104 [4.19]
Gross	The term "gross" is a common means of referring to values before deducting consumption of fixed capital (generally used as in "gross capital stock" or "gross domestic product"); all the major balancing items in the accounts from value added through to saving may be recorded gross or net.	6.201
Gross adjusted disposable income	<i>Gross adjusted disposable income</i> is derived from the gross disposable income of an institutional unit or sector by adding the value of the social transfers in kind receivable by that unit or sector and subtracting the value of the social transfers in kind payable by that unit or sector.	8.24
Gross capital formation	<i>Gross capital formation</i> is measured by the total value of the gross fixed capital formation, changes in inventories and acquisitions less disposals of valuables for a unit or sector.	10.32
Gross capital stock	<i>Gross capital stock</i> is the value of all fixed assets still in use, at the actual or estimated current purchasers' prices for new assets of the same type, irrespective of the age of the assets.	6.199
Gross domestic product-expenditure based	<i>Expenditure-based gross domestic product</i> is total final expenditures at purchasers' prices (including the f.o.b. value of exports of goods and services), less the f.o.b. value of imports of goods and services.	6.235
Gross domestic product-income based	<i>Income-based gross domestic product</i> is compensation of employees, plus taxes less subsidies on production and imports, plus gross mixed income, plus gross operating surplus.	2.222
Gross domestic product-output based	<i>Output-based gross domestic product</i> is the sum of the gross values added of all resident producers at basic prices, plus all taxes less subsidies on products.	6.235 - 6.237
Gross domestic product at market prices	<i>Gross domestic product at market prices</i> is the sum of the gross values added of all resident producers at market prices, plus taxes less subsidies on imports.	6.235
Gross fixed capital formation	<i>Gross fixed capital formation</i> is measured by the total value of a producer's acquisitions, less disposals, of fixed assets during the accounting period plus certain additions to the value of non-produced assets (such as subsoil assets or major improvements in the quantity, quality or productivity of land) realised by the productive activity of institutional units.	10.33 and 10.51 [10.26]
Gross national disposable income	<i>Gross national disposable income</i> may be derived from gross national income by adding all current transfers in cash or in kind receivable by resident institutional units from non-resident units and subtracting all current transfers in cash or in kind payable by resident institutional units to non-resident units.	8.16 [2.183]
Gross national income (GNI)	<i>Gross national income (GNI)</i> is GDP less net taxes on production and imports, less compensation of employees and property income payable to the rest of the world plus the corresponding items receivable from the rest of the world (in other words, GDP less primary incomes payable to non-resident units plus primary incomes receivable from non-resident units); an alternative approach to measuring GNI at market prices is as the aggregate value of the balances of gross primary incomes for all sectors; (note that gross national income is identical to gross national product (GNP) as previously used in national accounts generally).	2.81 and 7.16 and Table 7.2 [2.181]
Gross national product (GNP)	Gross national product (GNP) See "Gross national income".	
Gross saving	<i>Gross saving</i> is gross disposable income less final consumption expenditure.	9.2

Term	Definition	Paragraph(s)
Gross value added	<i>Gross value added</i> is the value of output less the value of intermediate consumption; it is a measure of the contribution to GDP made by an individual producer, industry or sector; gross value added is the source from which the primary incomes of the SNA are generated and is therefore carried forward into the primary distribution of income account	1.6 [2.172, 6.4, 6.222]
Gross value added at basic prices	<i>Gross value added at basic prices</i> is output valued at basic prices less intermediate consumption valued at purchasers' prices.	6.226, 15.37 [6.231]
Gross value added at producers' prices	<i>Gross value added at producers' prices</i> is output valued at producers' prices less intermediate consumption valued at purchasers' prices.	6.227, 15.37
Hedonic method	The <i>hedonic method</i> is a regression technique used to estimate the prices of qualities or models that are not available on the market in particular periods, but whose prices in those periods are needed in order to be able to construct price relatives; it is based on the hypothesis that the prices of different models on sale on the market at the same time are functions of certain measurable characteristics such as size, weight, power, speed, etc and so regression methods can be used to estimate by how much the price varies in relation to each of the characteristics.	16.126
Historic cost accounting	<i>Historic cost accounting</i> is a valuation method which requires goods or assets used in production to be valued by the expenditures actually incurred to acquire those goods or assets, however far back in the past those expenditures took place; it is commonly used in business accounting but not in the national accounts.	1.60
Historic monuments	<i>Historic monuments</i> are fixed assets that are identifiable because of particular historic, national, regional, local, religious or symbolic significance; they are usually accessible to the general public, and visitors are often charged for admission to the monuments or their vicinity.	10.71
Holding corporations	<i>Holding corporations</i> are corporations that control a group of subsidiary corporations and whose principal activity is owning and directing the group.	4.100
Holding gains	Positive or negative <i>holding gains</i> may accrue during the accounting period to the owners of financial and non-financial assets and liabilities as a result of a change in their prices (holding gains are sometimes referred to as "capital gains").	3.62
Homogeneous production unit	A unit of <i>homogeneous production</i> is a producer unit in which only a single (non-ancillary) productive activity is carried out; this unit is not normally observable and is more an abstract or conceptual unit underlying the symmetric (product-by-product) input-output tables.	15.14
Horizontally integrated enterprise	A <i>horizontally integrated enterprise</i> is one in which several different kinds of activities which produce different kinds of goods or services for sale on the market are carried out in parallel with each other.	5.30
Hours worked - total	<i>Total hours worked</i> are the aggregate number of hours actually worked during the period in employee and self-employment jobs.	15.102
Household	A <i>household</i> is a small group of persons who share the same living accommodation, who pool some, or all, of their income and wealth and who consume certain types of goods and services collectively, mainly housing and food.	4.132 [4.20]
Household actual final consumption	<i>Actual final consumption of households</i> is the value of the consumption goods and services acquired by households, whether by purchase in general, or by transfer from government units or NPISHs, and used by them for the satisfaction of their needs and wants; it is derived from their final consumption expenditure by adding the value of social transfers in kind receivable.	9.11 and 9.3 [9.72, 9.96]
Household final consumption expenditure	<i>Household final consumption expenditure</i> consists of the expenditure, including imputed expenditure, incurred by resident households on individual consumption goods and services, including those sold at prices that are not economically significant.	9.94 [9.45]

Term	Definition	Paragraph(s)
Household unincorporated market enterprises	<i>Household unincorporated market enterprises</i> are created for the purpose of producing goods or services for sale or barter on the market; they can be engaged in virtually any kind of productive activity and they include unincorporated partnerships but the liability of the partners for the debts of the businesses must be unlimited for the partnerships to be treated as unincorporated enterprises.	4.144 and 4.145
Illegal production	<i>Illegal production</i> is the production of goods or services whose sale, distribution or possession is forbidden by law, and production activities which are usually legal but which become illegal when carried out by unauthorised producers; the scope of illegal production varies depending on the laws in place in individual countries (e.g. prostitution is legal in some countries but illegal in others).	6.30
Import duties	<i>Import duties</i> consist of customs duties, or other import charges, which are payable on goods of a particular type when they enter the economic territory.	7.66 [OECD 5123]
Import subsidies	<i>Import subsidies</i> consist of subsidies on goods and services that become payable to resident producers when the goods cross the frontier of the economic territory or when the services are delivered to resident institutional units.	7.74
Imports of goods and services	<i>Imports of goods and services</i> consist of purchases, barter, or receipts of gifts or grants, of goods and services by residents from non-residents; the treatment of exports and imports in the SNA is generally identical with that in the balance of payments accounts as described in the Balance of Payments Manual.	14.88 [14.91, 14.94]
Imputed expenditure	Some transactions which it is desirable to include in the accounts do not take place in money terms and so cannot be measured directly; in such cases a conventional value is <i>imputed</i> to the corresponding expenditure (the conventions used vary from case to case and are described in the SNA as necessary).	[3.34, 9.30]
Imputed social contributions	<i>Social contributions</i> are <i>imputed</i> when employers provide social benefits themselves directly to their employees, former employees or dependants out of their own resources without involving an insurance enterprise or autonomous pension fund, and without creating a special fund or segregated reserve for the purpose; the imputed contributions are equal in value to the amount of social contributions that would be needed to secure the de facto entitlements to the social benefits they accumulate.	7.45
Income	<i>Income</i> is the maximum amount that a household, or other unit, can consume without reducing its real net worth provided the net worth at the beginning of the period is not changed by capital transfers, other changes in the volume of assets or real holding gains or losses.	8.15
Income from abroad - net	<i>Net income from abroad</i> is the difference between the total values of the primary incomes receivable from, and payable to, non-residents.	7.15
Income in kind received by employees	<i>Income in kind received by employees</i> is measured by the value of the goods and services provided by employers to their employees in remuneration for work done.	9.50
Incorporated enterprise	<i>Incorporated enterprise</i> See "Corporation".	
Index-linked securities	<i>Index-linked securities</i> are financial instruments for which the amounts of the coupon payments (interest) and/or the principal outstanding are linked to a general price index, a specific price index or an exchange rate index.	7.104 [11.78]
Indirect taxes	As traditionally understood, <i>indirect taxes</i> are taxes that supposedly can be passed on, in whole or in part, to other institutional units by increasing the prices of the goods or services sold; however the term "indirect taxes" is not used in SNA93; rather, taxes are specifically identified by their purpose (e.g. taxes on products).	7.50
Individual consumption good or service	An <i>individual consumption good or service</i> is one that is acquired by a household and used to satisfy the needs and wants of members of that household.	9.42

Term	Definition	Paragraph(s)
Industry	An <i>industry</i> consists of a group of establishments engaged on the same, or similar, kinds of production activity; the classification of productive activities used in the SNA is ISIC (Rev.3).	5.5 and 5.40
Industry (producer) technology	<i>Industry (producer) technology</i> is one of two types of technology assumptions used in converting supply and use tables into symmetric input-output tables; it assumes that all products produced by an industry are produced with the same input structure.	15.144
Industry-by-industry table	An <i>industry-by-industry table</i> is a symmetric input-output table with industries as the dimension of both rows and columns; as a result it shows which industry uses the output of which other industry.	15.150
Informal sector	The <i>informal sector</i> is broadly characterised as comprising production units that operate on a small scale and at a low level of organisation, with little or no division between labour and capital as factors of production, and with the primary objective of generating income and employment for the persons concerned; operationally, the sector is defined on a country specific basis as the set of unincorporated enterprises owned by households which produce at least some products for the market but which either have less than a specified number of employees and/or are not registered under national legislation referring, for example, to tax or social security obligations, or regulatory acts.	Annex to Chapter 4
Input-output table	An <i>input-output table</i> is a means of presenting a detailed analysis of the process of production and the use of goods and services (products) and the income generated in that production.; they can be either in the form of (a) supply and use tables or (b) symmetric input-output tables.	15.1 and 15.8 [2.211, 15.2]
Institutional sectors	Institutional units are grouped together to form <i>institutional sectors</i> , on the basis of their principal functions, behaviour, and objectives.	2.20
Institutional unit	An <i>institutional unit</i> is an economic entity that is capable, in its own right, of owning assets, incurring liabilities and engaging in economic activities and in transactions with other entities.	4.2 [1.13, 2.19, 3.13]
Insurance	The activity of <i>insurance</i> is intended to provide individual institutional units exposed to certain risks with financial protection against the consequences of the occurrence of specified events; it is also a form of financial intermediation in which funds are collected from policyholders and invested in financial or other assets which are held as technical reserves to meet future claims arising from the occurrence of the events specified in the insurance policies.	6.135
Insurance corporations	<i>Insurance corporations</i> consist of incorporated, mutual and other entities whose principal function is to provide life, accident, sickness, fire or other forms of insurance to individual institutional units or groups of units.	4.97
Insurance technical reserves	The <i>technical reserves</i> held by <i>insurance</i> enterprises consist of the actuarial reserves against outstanding risks in respect of life insurance policies, including reserves for with-profit policies which add to the value on maturity of with-profit endowments or similar policies, prepayments of premiums and reserves against outstanding claims.	7.123 [11.89, 13.75, (AF.6) - Annex to chapter XIII]
Intangible fixed assets	<i>Intangible fixed assets</i> are non-financial produced fixed assets that mainly consist of mineral exploration, computer software, entertainment, literary or artistic originals intended to be used for more than one year.	(AN.112) - Annex to chapter XIII
Intangible non-produced assets	<i>Intangible non-produced assets</i> are assets that entitle their owners to engage in certain specific activities or to produce certain specific goods or services and to exclude other institutional units from doing so except with the permission of the owner (e.g. patented entities or purchased goodwill).	13.62 [(AN.22) - Annex to chapter XIII]
Integrated economic accounts	The <i>integrated economic accounts</i> comprise the full set of accounts of institutional sectors and the rest of the world, together with the accounts for transactions (and other flows) and the accounts for assets and liabilities.	2.88

Term	Definition	Paragraph(s)
Interest	<i>Interest</i> is the amount that the debtor becomes liable to pay to the creditor over a given period of time without reducing the amount of principal outstanding, under the terms of the financial instrument agreed between them.	7.93
Interest rate swap	An <i>interest rate swap</i> contract involves an exchange of cash flows related to interest payments, or receipts, on a notional amount of principal, which is never exchanged, on one currency over a period of time; settlements are often made through net cash payments by one counterparty to the other.	11.38
Intermediate consumption	<i>Intermediate consumption</i> consists of the value of the goods and services consumed as inputs by a process of production, excluding fixed assets whose consumption is recorded as consumption of fixed capital; the goods or services may be either transformed or used up by the production process.	6.147
Intermediate use quadrant	The <i>intermediate use quadrant</i> (of the use table) shows intermediate consumption at purchasers' prices by industries in the columns and by products in the rows.	15.72
Internal transactions	The SNA treats as transactions certain kinds of actions within a unit to give a more analytically useful picture of final uses of output and of production; these transactions that involve only one unit are called <i>internal</i> , or <i>intra-unit</i> , transactions.	3.44
International investment position	The <i>international investment position</i> is a statistical statement, compiled at a specified date such as year end, of: (i) the value and composition of the stock of an economy's financial assets or the economy's claims on the rest of the world, and (ii) the value and composition of the stock of an economy's liabilities to the rest of the world.	BPM 14 [BPM 461]
International organisations	<i>International organisations</i> are entities established by formal political agreements between their members that have the status of international treaties; their existence is recognised by law in their member countries; they are not treated as resident institutional units of the countries in which they are located.	4.164
Intra-unit transactions	The SNA treats as transactions certain kinds of actions within a unit to give a more analytically useful picture of final uses of output and of production; these transactions that involve only one unit are called <i>internal</i> , or <i>intra-unit</i> , transactions.	3.44
Inventories	<i>Inventories</i> consist of stocks of outputs that are still held by the units that produced them prior to their being further processed, sold, delivered to other units or used in other ways, and stocks of products acquired from other units that are intended to be used for intermediate consumption or for resale without further processing.	10.7 [13.15, 13.46, (AN.12) - Annex to chapter XIII]
Inventories - changes in (including work-in-progress)	<i>Changes in inventories (including work-in-progress)</i> consist of changes in: (a) stocks of outputs that are still held by the units that produced them prior to their being further processed, sold, delivered to other units or used in other ways; and (b) stocks of products acquired from other units that are intended to be used for intermediate consumption or for resale without further processing; they are measured by the value of the entries into inventories less the value of withdrawals and the value of any recurrent losses of goods held in inventories.	10.7 and 10.28
Inventories of finished goods	<i>Inventories of finished goods</i> consist of goods that are ready for sale or shipment by the producer but which are still held by the producer.	(AN.123) - Annex to chapter XIII [10.111]
Inventories of goods for resale	<i>Inventories of goods for resale</i> consist of goods acquired by enterprises, such as wholesalers and retailers, for the purpose of reselling them without further processing (that is, not transformed other than by presenting them in ways that are attractive to the customer).	(AN.124) - Annex to chapter XIII [10.113]
Inventories of materials and supplies	<i>Inventories of materials and supplies</i> are goods that their owners intend to use as intermediate inputs in their own production processes, not to resell.	(AN.121) - Annex to chapter XIII [10.99]

Term	Definition	Paragraph(s)
Inventories of work-in-progress	<i>Inventories of work-in-progress</i> consist of goods and services that are partially completed but that are not usually turned over to other units without further processing or that are not mature and whose production process will be continued in a subsequent period by the same producer.	(AN.122) - Annex to chapter XIII [6.40, 6.72, 10.102]
Inventories of other work-in-progress	<i>Inventories of other work-in-progress</i> consist of goods other than cultivated assets and services that have been partially processed, fabricated or assembled by the producer but that are not usually sold, shipped or turned over to others without further processing.	(AN.1222) - Annex to chapter XIII
Inventories of work-in-progress on cultivated assets	<i>Inventories of work-in-progress on cultivated assets</i> consist of livestock raised for products yielded only on slaughter, such as fowl and fish raised commercially, trees and other vegetation yielding once-only products on destruction and immature cultivated assets yielding repeat products.	(AN.1221) - Annex to chapter XIII
Inverse table - Leontief	The columns of the <i>Leontief inverse</i> (input-output) table show the input requirements, both direct and indirect, on all other producers, generated by one unit of output.	15.175
Investment grants	<i>Investment grants</i> consist of capital transfers in cash or in kind made by governments to other resident or non-resident institutional units to finance all or part of the costs of their acquiring fixed assets.	10.137
Invoiced VAT	<i>Invoiced VAT</i> is the VAT payable on the sales of a producer; it is shown separately on the invoice which the producer presents to the purchaser.	6.209
ISIC	<i>ISIC</i> is the United Nations International Standard Industrial Classification of All Economic Activities; the third revision of ISIC is used in the 1993 SNA.	1.47
Jobs	<i>Jobs</i> are contracts (explicit or implicit) between a person and an institutional unit to perform work in return for compensation (or mixed income) for a defined period or until further notice.	15.102 [17.8]
Joint products	When two or more products are produced simultaneously by a single productive activity they are <i>joint products</i> .	5.43 [15.19]
Kind-of-activity unit	A <i>kind-of-activity unit</i> is an enterprise, or a part of an enterprise, which engages in only one kind of (non-ancillary) productive activity or in which the principal productive activity accounts for most of the value added.	5.19
Land	<i>Land</i> is the ground, including the soil covering and any associated surface waters, over which ownership rights are enforced; included are major improvements that cannot be physically separated from the land itself but it excludes any buildings or other structures situated on it or running through it; cultivated crops, trees and animals; subsoil assets; non-cultivated biological resources and water resources below the ground.	(AN.211) - Annex to chapter XIII [13.54]
Land under cultivation	<i>Land under cultivation</i> is land on which agricultural or horticultural production is carried on for commercial or subsistence purposes, including, in principle, land under plantations, orchards and vineyards.	(AN.2112) - Annex to chapter XIII
Land underlying buildings and structures	<i>Land underlying buildings and structures</i> is land on which dwellings, non-residential buildings and structures are constructed or into which their foundations are dug, including yards and gardens deemed an integral part of farm and non-farm dwellings and access roads to farms.	(AN.2111) - Annex to chapter XIII
Laspeyres price index	A <i>Laspeyres price index</i> is a weighted arithmetic average of price relatives using the values of the earlier period as weights.	16.16
Laspeyres volume index	A <i>Laspeyres volume index</i> is a weighted arithmetic average of quantity relatives using the values of the earlier period as weights.	16.16
Last-in-first-out (LIFO)	<i>Last-in-first-out (LIFO)</i> is an inventory valuation method based on the assumption that the first good withdrawn from inventory is the last one which entered.	6.70

Term	Definition	Paragraph(s)
Leases and other transferable contracts	<i>Leases and other transferable contracts</i> are leases or contracts where the lessee has the right to convey the lease to a third party independently of the lessor (e.g. leases of land and buildings and other structures, concessions or exclusive rights to exploit mineral deposits or fishing grounds, transferable contracts with athletes and authors and options to buy tangible assets not yet produced).	(AN.222) - Annex to chapter XIII
Legal entities	<i>Legal entities</i> are types of institutional units which are created for purposes of production, mainly corporations and non-profit institutions (NPIs), or government units, including social security funds; they are capable of owning goods and assets, incurring liabilities and engaging in economic activities and transactions with other units in their own right.	1.13 [4.5]
Leontief inverse table	The columns of the <i>Leontief inverse</i> (input-output) table show the input requirements, both direct and indirect, on all other producers, generated by one unit of output.	15.175
Letters of credit	<i>Letters of credit</i> are promises to make payment only when certain documents specified by contract are presented.	11.25
Liability	A <i>liability</i> is an obligation which requires one unit (the debtor) to make a payment or a series of payments to the other unit (the creditor) in certain circumstances specified in a contract between them.	[10.4]
Licence fees	<i>Licence fees</i> See "Payments by households to obtain certain licences".	
LIFO (last-in-first-out)	<i>LIFO (last-in-first-out)</i> is an inventory valuation method based on the assumption that the first good withdrawn from inventory is the last one which entered.	6.70
Lines of credit	<i>Lines of credit</i> provide a guarantee that funds will be made available but no financial asset exists until funds are actually advanced.	11.25
Livestock for breeding, dairy, draught, etc.	<i>Livestock for breeding, dairy, draught, etc</i> consist of livestock that are cultivated for the products they provide year after year.	(AN.11141) - Annex to chapter XIII
Loans	<i>Loans</i> are financial assets that are created when creditors lend funds directly to debtors, that are evidenced by non-negotiable documents, or for which the lender receives no security evidencing the transaction.	(AF.4) - Annex to chapter XIII [11.83]
Local government	<i>Local government</i> units are institutional units whose fiscal, legislative and executive authority extends over the smallest geographical areas distinguished for administrative and political purposes.	4.128
Local unit	A <i>local unit</i> is an enterprise, or a part of an enterprise, which engages in productive activity at or from one location.	5.20
Long-term loans	<i>Long-term loans</i> consist of loans that have an original maturity normally of more than one year, except that, to accommodate variations in practice between countries, long-term may be defined to require an original maturity in excess of two years.	(AF.42) - Annex to chapter XIII
Long-term securities other than shares	<i>Long-term securities other than shares</i> consist of securities other than shares that have an original maturity of more than one year; however, to accommodate variations in practice between countries, long-term may be defined to include an original maturity in excess of two years.	(AF.32) - Annex to chapter XIII
Losses of government trading organisations	<i>Losses of government trading organisations</i> consist of the losses incurred by government trading organisations whose function is to buy and sell the products of resident enterprises; when such organisations incur losses as a matter of deliberate government economic or social policy by selling at lower prices than those at which they purchased the goods, the difference between the purchase and the selling prices should be treated as a subsidy.	7.78

Term	Definition	Paragraph(s)
Machinery and equipment (assets)	<i>Machinery and equipment (assets)</i> consist of transport equipment and other machinery and equipment other than that acquired by households for final consumption.	(AN.1113) - Annex to chapter XIII
Maintenance and repairs (of fixed assets)	Ordinary <i>maintenance and repairs</i> of fixed assets are activities that owners or users of fixed assets are obliged to undertake periodically in order to be able to utilise assets over their expected service lives (they are current costs that cannot be avoided if the fixed assets are to continue to be used); maintenance and repairs do not change the fixed asset or its performance, but simply maintain it in good working order or restore it to its previous condition in the event of a breakdown (note the contrast between this item and "major renovations or enlargements").	6.161
Major renovations or enlargements (of fixed assets)	<i>Major renovations or enlargements</i> of fixed assets are activities which increase the performance or capacity of existing fixed assets or significantly extend their previously expected service lives and so are classified as part of gross fixed capital formation; the decision to renovate, reconstruct or enlarge a fixed asset is a deliberate investment decision which may be undertaken at any time and is not dictated by the condition of the asset (note the contrast between this item and "maintenance and repairs").	6.162
Margin (trade)	A <i>trade margin</i> is the difference between the actual or imputed price realised on a good purchased for resale (either wholesale or retail) and the price that would have to be paid by the distributor to replace the good at the time it is sold or otherwise disposed of.	6.110
Margin (transport)	A <i>transport margin</i> consists of those transport charges paid separately by the purchaser in taking delivery of the goods at the required time and place.	15.40 [15.42]
Margins (financial)	<i>Margins</i> are payments of cash or collateral that cover actual or potential obligations under financial derivatives, especially futures or exchange-traded options.	11.43
Market establishments	<i>Market establishments</i> produce mostly goods and services for sale at prices which are economically significant.	2.46
Market non-profit institutions serving businesses	<i>Market non-profit institutions serving businesses</i> are created by associations of the businesses whose interests they are designed to promote and are usually financed by contributions or subscriptions from the group of businesses concerned; the subscriptions are treated not as transfers but as payments for services rendered.	4.59
Market output	<i>Market output</i> is output that is sold at prices that are economically significant or otherwise disposed of on the market, or intended for sale or disposal on the market.	6.45
Market prices	<i>Market prices</i> for transactions are the amounts of money willing buyers pay to acquire something from willing sellers.	BPM 92 [2.68]
Market price equivalents	<i>Market price equivalents</i> are proxies, or substitute measures, for market prices in those cases for which no actual market prices have been set; a customary approach is to construct such prices by analogy with known market prices established under conditions that are considered essentially the same.	BPM 95 and 96
Market producers	<i>Market producers</i> are producers that sell most or all of their output at prices that are economically significant.	4.58 [6.52]
Materials and supplies - inventories	<i>Inventories of materials and supplies</i> are goods that their owners intend to use as intermediate inputs in their own production processes, not to resell.	(AN.121) - Annex to chapter XIII [10.99]
Metallic mineral reserves	<i>Metallic mineral reserves</i> consist of ferrous and non-ferrous metal ore deposits.	(AN.2122) - Annex to chapter XIII

Term	Definition	Paragraph(s)
Mineral exploration	<i>Mineral exploration</i> consists of the value of expenditures on exploration for petroleum and natural gas and for non-petroleum deposits; it includes prelicence costs, licence and acquisition costs, appraisal costs and the costs of actual test drilling and boring, as well as the costs of aerial and other surveys, transportation costs, etc, incurred to make it possible to carry out the tests.	(AN.1121) - Annex to chapter XIII
Miscellaneous current taxes	<i>Miscellaneous current taxes</i> consist of various types of taxes paid periodically, usually once a year; the most common are poll taxes, expenditure taxes, payments by households to obtain certain licences, and taxes on international transactions.	8.54 [OECD 5127, 5200, 6000]
Miscellaneous current transfers	<i>Miscellaneous current transfers</i> consist of various different kinds of current transfers that may take place between resident institutional units or between resident and non-resident units; the most common are: (a) current transfers to NPISHs; (b) current transfers between households; (c) fines and penalties; (d) lotteries and gambling; (e) payments of compensation.	8.93 - 8.98
Mixed income	<i>Mixed income</i> is the surplus or deficit accruing from production by unincorporated enterprises owned by households; it implicitly contains an element of remuneration for work done by the owner, or other members of the household, that cannot be separately identified from the return to the owner as entrepreneur but it excludes the operating surplus coming from owner-occupied dwellings.	7.8 [4.143, 7.81]
Monetary gold	<i>Monetary gold</i> is gold owned by the monetary authorities or others subject to their effective control that is held as a financial asset and as a component of foreign reserves.	(AF.1) - Annex to chapter XIII
Monetary transactions	A <i>monetary transaction</i> is one in which one institutional unit makes a payment (receives a payment) or incurs a liability (receives an asset) stated in units of currency.	3.16
Monetisation (of gold)	If authorities add to their holdings of monetary gold by acquiring commodity gold, e.g. newly mined gold or existing gold offered on the private market, they are deemed to have <i>monetised gold</i> .	11.65
Money purchase pension plans	<i>Money purchase pension plans</i> are those for which the level of contributions to the fund is guaranteed, but benefits are directly dependent on the assets of the fund; (money purchase pension plans are also known as "defined contribution pension plans" in some countries).	13.79
Multiple official exchange rates	<i>Multiple official exchange rates</i> arise when the monetary authorities maintain a regime of applying two or more exchange rates to different categories of transactions.	14.80 [19 Annex A, BPM 134]
National disposable income	<i>National disposable income</i> may be derived from national income by adding all current transfers in cash or in kind receivable by resident institutional units from non-resident units and subtracting all current transfers in cash or in kind payable by resident institutional units to non-resident units.	8.16 [2.183]
National expenditure	Capital formation and final consumption grouped together constitute <i>national expenditure</i> .	2.187
National income	<i>National income</i> is the total value of the primary incomes receivable within an economy less the total of the primary incomes payable by resident units.	7.14
National private corporations (non-financial and financial)	<i>National private corporations</i> include all resident corporations and quasi-corporations that are not controlled by government or by non-resident institutional units.	4.75 and 4.84
National wealth	<i>National wealth</i> is the sum, for the economy as a whole, of non-financial assets and net claims on the rest of the world.	13.2
NDP (net domestic product)	<i>NDP (net domestic product)</i> is obtained by deducting the consumption of fixed capital from gross domestic product.	2.175

Term	Definition	Paragraph(s)
Net	The term "net" is a common means of referring to values after deducting consumption of fixed capital (generally used as in "net capital stock" or "net domestic product"); all the major balancing items in the accounts from value added through to saving may be recorded gross or net; it should be noted, however, that the term "net" can be used in different contexts in the national accounts, such as "net income from abroad" which is the difference between two income flows.	6.201
Net adjusted disposable income	<i>Net adjusted disposable income</i> is obtained from the net disposable income of an institutional unit or sector by adding the value of the social transfers in kind receivable by that unit or sector and subtracting the value of the social transfers in kind payable by that unit or sector.	8.24
Net borrowing	<i>Net borrowing</i> See "net lending".	
Net capital stock	The sum of the written-down values of all the fixed assets still in use is described as the <i>net capital stock</i> ; it can also be described as the difference between gross capital stock and consumption of fixed capital.	6.199
Net domestic product (NDP)	<i>Net domestic product (NDP)</i> is obtained by deducting the consumption of fixed capital from gross domestic product.	2.175
Net equity of households in life insurance reserves and in pension funds	<i>Net equity of households in life insurance reserves and in pension funds</i> consists of reserves held against life insurance and annuity policies by insurance enterprises, whether mutual or incorporated, and by pension funds; these reserves are considered to be assets of the policyholders and not of the institutional units that manage them.	(AF.61) - Annex to chapter XIII
Net fixed capital formation.	<i>Net fixed capital formation</i> consists of gross fixed capital formation less consumption of fixed capital.	10.27 [12.102]
Net income from abroad	<i>Net income from abroad</i> is the difference between the total values of the primary incomes receivable from, and payable to, non-residents.	7.15
Net international investment position	The <i>net international investment position</i> is the stock of external assets minus the stock of external liabilities.	BPM 55
Net lending	<i>Net lending</i> is the net amount a unit or a sector has available to finance, directly or indirectly, other units or other sectors; it is the balancing item in the capital account and is defined as: (Net saving plus capital transfers receivable minus capital transfers payable) minus (the value of acquisitions less disposals of non-financial assets, less consumption of fixed capital); negative net lending may also be described as "net borrowing".	2.137 and Table 2.1 III.1 and 10.30
Net national disposable income	<i>Net national disposable income</i> may be derived from net national income by adding all current transfers in cash or in kind receivable by resident institutional units from non-resident units and subtracting all current transfers in cash or in kind payable by resident institutional units to non-resident units.	8.16
Net national income	The aggregate value of the balances of net primary incomes summed over all sectors is described as <i>net national income</i> .	7.16 and Table 7.2 [2.182]
Net non-life insurance premiums	<i>Net non-life insurance premiums</i> are total non-life insurance premiums less service charges.	8.86
Net recordings	Combinations in which the values of some elementary items are offset against items on the other side of the account or which have an opposite sign are called <i>net recordings</i> .	3.117
Net rent	<i>Net rent</i> is the total rent paid by a tenant to a landowner less the amounts paid by the landowner for land taxes or any maintenance expenses incurred solely as a consequence of owning the land (by convention, such taxes or expenses are treated as payable by the tenant who is deemed to deduct them from the rent that he would otherwise be obliged to pay to the landowner).	7.130

Term	Definition	Paragraph(s)
Net saving	<i>Net saving</i> is net disposable income less final consumption expenditure.	9.2
Net value added	<i>Net value added</i> is the value of output less the values of both intermediate consumption and consumption of fixed capital.	6.4, 6.222 [1.6]
Net value of a fixed asset	The <i>net</i> (or written-down) <i>value of a fixed asset</i> is equal to the actual or estimated current purchaser's price of a new asset of the same type less the cumulative value of the consumption of fixed capital accrued up to that point in time.	6.199
Net worth	<i>Net worth</i> is the value of all the non-financial and financial assets owned by an institutional unit or sector less the value of all its outstanding liabilities; it is a measure of the wealth of a unit or sector at a point in time.	3.68 and 10.1 [13.10, 13.82]
Neutral holding gain	A <i>neutral holding gain</i> is the value of the holding gain that would accrue if the price of the asset changed in the same proportion as the general price level - i.e. merely kept pace with the general rate of inflation or deflation.	12.64
Neutral holding gain (by non-residents)	The <i>neutral holding gain (by non-residents)</i> is the value of the non-residents' holding gain that would be required to maintain the purchasing power of the asset - expressed in national currency - over the time period involved, i.e. the holding gain needed to keep pace with the overall change in the general price level.	14.145
Nominal holding gain	The <i>nominal holding gain</i> on a given quantity of an asset is the value of the benefit accruing to the owner of that asset as a result of a change in its price or, more generally, its monetary value over time.	12.63
Nominal holding gain (by non-residents)	The <i>nominal holding gain (by non-residents)</i> is that value accruing to the non-resident creditors and debtors as a result of a change in their assets'/liabilities' monetary value, during the time that they are held, from the beginning to the end of the accounting period; the change in the monetary value of the asset may reflect a change in its price (in national currency) and/or a change in the relevant exchange rate.	14.144
Nominal interest	When a debtor is able to discharge his liability to the creditor by repaying principal equal in money value to the funds borrowed, the associated <i>interest</i> payments are described as " <i>nominal</i> ".	7.109
Non-cultivated biological resources	<i>Non-cultivated biological resources</i> consist of animals and plants that yield both once-only and repeat products over which ownership rights are enforced but for which natural growth and/or regeneration is not under the direct control, responsibility and management of institutional units.	(AN.213) - Annex to chapter XIII
Non-deductible VAT	<i>Non-deductible VAT</i> is the VAT payable by a purchaser which is not deductible from his own VAT liability, if any.	6.209
Non-durable good	A <i>non-durable good</i> is one which is used up entirely in less than a year, assuming a normal or average rate of physical usage.	[9.38]
Non-financial assets	<i>Non-financial assets</i> are entities, over which ownership rights are enforced by institutional units, individually or collectively, and from which economic benefits may be derived by their owners by holding them, or using them over a period of time, that consist of tangible assets, both produced and non-produced, and most intangible assets for which no corresponding liabilities are recorded.	(AN) - Annex to chapter XIII
Non-financial corporations	<i>Non-financial corporations</i> are corporations whose principal activity is the production of market goods or non-financial services.	4.68 [2.20]
Non-financial quasi-corporations	<i>Non-financial quasi-corporations</i> are quasi-corporations whose principal activity is the production of market goods or non-financial services.	4.68
Non-life insurance claims	<i>Non-life insurance claims</i> are the amounts payable in settlement of claims that become due during the current accounting period (claims become due at the moment when the eventuality occurs which gives rise to a valid claim accepted by the insurance enterprise), but excluding payments to households in the form of social insurance benefits.	8.87

Term	Definition	Paragraph(s)
Non-life insurance premiums	<i>Non-life insurance premiums</i> comprise both the actual premiums payable by policyholders to obtain insurance cover during the accounting period (premiums earned) and the premium supplements payable out of the property income attributed to insurance policyholders, but excluding social contributions.	8.86
Non-market output - other	<i>Other non-market output</i> consists of goods and individual or collective services produced by non-profit institutions serving households (NPISHs) or government that are supplied free, or at prices that are not economically significant, to other institutional units or the community as a whole; such output is one of three broad categories of output in the SNA, with the others being market output and output produced for own final use.	6.49
Non-market producers	<i>Non-market producers</i> are producers that provide most of their output to others free or at prices which are not economically significant.	4.60 [6.32]
Non-metallic mineral reserves	<i>Non-metallic mineral reserves</i> consist of stone quarries and clay and sand pits; chemical and fertiliser mineral deposits; salt deposits; deposits of quartz, gypsum, natural gem stones, asphalt and bitumen, peat and other non-metallic minerals other than coal and petroleum.	(AN 2123) - Annex to chapter XIII
Non-monetary gold	<i>Non-monetary gold</i> covers all gold not held as reserve assets (monetary gold) by the authorities.	BPM 202
Non-monetary transactions	<i>Non-monetary transactions</i> are transactions that are not initially stated in units of currency; barter is an obvious example.	3.34
Non-produced assets	<i>Non-produced assets</i> are non-financial assets that come into existence other than through processes of production; they include both tangible assets and intangible assets and also include costs of ownership transfer on and major improvements to these assets.	(AN 2) - Annex to chapter XIII, 10.6 [10.8, 13.17]
Non-profit institutions (NPIs)	<i>Non-profit institutions (NPIs)</i> are legal or social entities created for the purpose of producing goods and services whose status does not permit them to be a source of income, profit or other financial gain for the units that establish, control or finance them.	4.54 [4.18, 4.161]
Non-profit institutions controlled and mainly financed by government	<i>Non-profit institutions controlled and mainly financed by government</i> are properly constituted legal entities which exist separately from government but which are financed mainly by government and over which government exercises control.	4.62
Non-profit institutions engaged in market production	<i>Non-profit institutions engaged in market production</i> consist of those NPIs which charge fees determined by their costs of production and which are sufficiently high to have a significant influence on the demand for their services, but any surpluses such institutions make must be retained within those institutions as their status as "Non-profit institutions (NPIs)" prevents them from distributing them to others.	4.58
Non-profit institutions engaged in non-market production	<i>Non-profit institutions engaged in non-market production</i> are NPIs that are incapable of providing financial gain to the units which control or manage them, and which must rely principally on funds other than receipts from sales to cover their costs of production or other activities.	4.60
Non-profit institutions serving households (NPISHs)	<i>Non-profit institutions serving households (NPISHs)</i> consist of NPIs which are not predominantly financed and controlled by government and which provide goods or services to households free or at prices that are not economically significant.	4.64 and 4.65 [2.20]
Non-repayable margins	<i>Non-repayable margins</i> reduce a financial liability created under a financial derivative contract; the entity that pays a non-repayable margin no longer retains ownership of the margin nor has the right to the risks and rewards of ownership, such as the receipt of income or exposure to holding gains and losses.	11.43
Non-resident	A unit is <i>non-resident</i> if its centre of economic interest is not in the economic territory of a country.	BPM 58 [1.14]

Term	Definition	Paragraph(s)
Non-residential buildings	<i>Non-residential buildings</i> are buildings other than dwellings, including fixtures, facilities and equipment that are integral parts of the structures and costs of site clearance and preparation.	(AN.11121) - Annex to chapter XIII
Note issuance facilities	Underwritten <i>note issuance facilities</i> (NIFs) provide a guarantee that a potential debtor will be able to sell short-term securities (notes) that he issues and that the bank or banks issuing the facility will take up any notes not sold in the market or will provide equivalent advances; the facility itself is contingent, and the creation of the facility gives rise to no entry in the financial account; only if the underwriting institution is requested to make funds available will it acquire an actual asset, which is recorded in the financial account.	11.25
NPIs (non-profit institutions)	<i>NPIs (non-profit institutions)</i> are legal or social entities created for the purpose of producing goods and services whose status does not permit them to be a source of income, profit or other financial gain for the units that establish, control or finance them.	4.54 [4.18, 4.161]
NPISH final consumption expenditure	<i>Final consumption expenditure of NPISHs</i> consists of the expenditure, including imputed expenditure, incurred by resident NPISHs on individual consumption goods and services.	9.94
NPISHs (non-profit institutions serving households)	<i>NPISHs (non-profit institutions serving households)</i> consist of NPIs which are not predominantly financed and controlled by government and which provide goods or services to households free or at prices that are not economically significant.	4.64 and 4.65 [2.20]
Occupied persons	In order to be classified as <i>occupied</i> - i.e. either employed or self-employed - the person must be engaged in an activity that falls within the production boundary of the SNA.	7.23
Operating lease	An <i>operating lease</i> is an agreement between a lessor and lessee for the rental of machinery or equipment for specified periods of time which are shorter than the total expected service lives of that machinery or equipment; the lessor normally maintains a stock of equipment in good working order which can be hired on demand, or at short notice, by users and is frequently responsible for the maintenance and repair of the equipment as part of the service which he provides to the lessee.	6.115 and 6.116
Operating surplus	The <i>operating surplus</i> measures the surplus or deficit accruing from production before taking account of any interest, rent or similar charges payable on financial or tangible non-produced assets borrowed or rented by the enterprise, or any interest, rent or similar receipts receivable on financial or tangible non-produced assets owned by the enterprise; (note: for unincorporated enterprises owned by households, this component is called "mixed income").	7.8
Opportunity cost	The concept of <i>opportunity cost</i> is commonly used in economics; it is measured by reference to the opportunities foregone at the time an asset or resource is used, as distinct from the costs incurred at some time in the past to acquire the asset, or the payments which could be realised by an alternative use of a resource (e.g. the use of labour in a voluntary capacity being valued at the wages which could have been earned in a paid job).	1.60
Options	<i>Options</i> are contracts that give the purchaser of the option the right, but not the obligation, to buy (a "call" option) or to sell (a "put" option) a particular financial instrument or commodity at a predetermined price (the "strike" price) within a given time span (American option) or on a given date (European option); many options contracts, if exercised, are settled by a cash payment rather than by delivery of the underlying assets or commodities to which the contract relates.	11.39
Other accounts receivable/payable	<i>Other accounts receivable/payable</i> are financial assets consisting of trade credit and advances and other items due to be received or paid.	(AF.7) - Annex to chapter XIII [11.100]

Term	Definition	Paragraph(s)
Other accumulation entries	<i>Other accumulation entries</i> cover transactions and other economic flows not taken into account elsewhere which change the quantity or value of assets and liabilities; they include consumption of fixed capital and acquisitions less disposals of non-produced non-financial assets; other economic flows of non-produced assets, such as discovery or depletion of subsoil resources or transfers of other natural assets to economic activities; the effects of non-economic phenomena such as natural catastrophes and political events (wars for example); and holding gains or losses due to changes in prices.	2.33
Other buildings and structures	The <i>other buildings and structures</i> category of non-financial, produced, tangible fixed assets consists of non-residential buildings and other structures, such as civil engineering works.	(AN.1112) - Annex to chapter XIII
Other capital taxes n.e.c.	<i>Other capital taxes n.e.c.</i> consist of capital taxes other than those classified as capital levies or as taxes on capital transfers.	10.136
Other capital transfers	<i>Other capital transfers</i> consist of all capital transfers except capital taxes and investment grants; they include, among others, cancellation of debt by mutual agreement between the creditor and debtor.	10.139
Other changes in assets account	The <i>other changes in assets account</i> consists of two sub-accounts: the other changes in volume of assets account and the revaluation account; it records changes in the values of assets, liabilities, and net worth between opening and closing balance sheets that result from other flows, i.e. flows that are not transactions.	1.9 and 12.1
Other changes in the volume of assets account	The <i>other changes in the volume of assets account</i> records the changes in assets, liabilities, and net worth between opening and closing balance sheets that are due neither to transactions between institutional units, as recorded in the capital and financial accounts, nor to holding gains and losses.	12.4 [1.9, 3.58 - 3.61]
Other current taxes	<i>Other current taxes</i> consist of current taxes on capital plus miscellaneous current taxes.	8.53 and 8.54 [OECD 4100, 4200, 4600, 5200, 5217, 6000]
Other current taxes n.e.c.	<i>Other current taxes n.e.c.</i> comprise any current taxes other than taxes on income, current taxes on capital and miscellaneous current taxes.	8.53 and 8.54
Other current transfers	<i>Other current transfers</i> consist of net premiums and claims for non-life insurance, current transfers between different kinds of government units, usually at different levels of government and also between general government and foreign governments, and current transfers such as those between different households.	8.9 and 8.10
Other depository corporations	The <i>other depository corporations</i> sub-sector consists of all resident financial corporations and quasi-corporations, except the central bank, whose principal activity is financial intermediation and which have liabilities in the form of deposits or financial instruments such as short-term certificates of deposit which are close substitutes for deposits in mobilising financial resources and which are included in measures of money broadly defined.	4.88
Other depository corporations - other	The " <i>other</i> " <i>other depository corporations</i> consist of all resident depository corporations and quasi-corporations, other than "deposit money corporations" which have liabilities in the form of deposits that may not be readily transferable or in the form of financial instruments such as short-term certificates of deposit which are close substitutes for deposits and included in measures of money broadly defined; they may include corporations described as savings banks (including trustee savings banks and savings banks and loan associations), credit cooperatives and mortgage banks or building societies.	4.94
Other deposits	In the financial accounts, the item <i>other deposits</i> includes all claims, other than transferable deposits, on the central bank, other depository institutions, government units and, in some cases, other institutional units that are represented by evidence of deposit.	11.72, (AE.29) - Annex to chapter XIII

Term	Definition	Paragraph(s)
Other equities (and shares)	<i>Shares and other equities are financial assets that are instruments and records acknowledging, after the claims of all creditors have been met, claims to the residual value of incorporated enterprises.</i>	(AF.5) - Annex to chapter XIII [11.86]
Other financial intermediaries except insurance corporations and pension funds	<i>The other financial intermediaries except insurance corporations and pension funds sub-sector consists of all resident corporations and quasi-corporations primarily engaged in financial intermediation except depository corporations, insurance corporations and pension funds.</i>	4.95
Other flows	<i>Other flows are changes in the value of assets and liabilities that do not take place in transactions; these entries are of two broad kinds - the first kind consists of changes due to factors such as discoveries or depletion of subsoil resources, or destruction by war or other political events or by natural catastrophes while the second kind consists of changes in the value of assets, liabilities, and net worth due to changes in the level and structure of prices, which are reflected in holding gains and losses.</i>	3.57
Other intangible fixed assets	<i>Other intangible fixed assets are new information, specialised knowledge, etc., not elsewhere classified, whose use in production is restricted to the units that have established ownership rights over them or to other units licensed by the latter.</i>	(AN.1129) - Annex to chapter XIII
Other intangible non-produced assets	<i>Other intangible non-produced assets are intangible non-produced assets not elsewhere classified.</i>	(AN.229) - Annex to chapter XIII
Other land and associated surface water	<i>Other land and associated surface water consist of land not elsewhere classified, including private gardens and plots not cultivated for subsistence or commercial purposes, communal grazing land, land surrounding dwellings in excess of those yards and gardens deemed an integral part of farm and non-farm dwellings and associated surface water.</i>	(AN.2119) - Annex to chapter XIII
Other machinery and equipment	<i>The other machinery and equipment category of non-financial, produced, tangible fixed assets consists of machinery and equipment assets not classified as "transport equipment".</i>	(AN.1132) - Annex to chapter XIII
Other non-market establishments	<i>Other non-market establishments supply most of the goods and services they produce without charge or at prices which are not economically significant; they are one of three broad types of producer, with the others being market producers and producers for own final use.</i>	2.46
Other non-market output	<i>Other non-market output consists of goods and individual or collective services produced by non-profit institutions serving households (NPISHs) or government that are supplied free, or at prices that are not economically significant, to other institutional units or the community as a whole; such output is one of three broad categories of output in the SNA, with the others being market output and output produced for own final use.</i>	6.49
Other non-market producers	<i>Other non-market producers consist of establishments owned by government units or NPISHs that supply goods or services free, or at prices that are not economically significant, to households or the community as a whole; these producers may also have some sales of secondary market output whose prices are intended to cover their costs or earn a surplus.</i>	6.52
Other social security benefits in kind	<i>Other social security benefits in kind consist of social transfers in kind, except reimbursements, made by social security funds to households (also see "Social transfers in kind").</i>	8.103
Other structures	<i>The other structures category of non-financial, produced, tangible fixed assets consists of structures other than buildings, including the cost of the streets, sewers and site clearance and preparation other than for residential or non-residential buildings; also included are historic monuments for which identification as dwelling or non-residential buildings is not possible and shafts, tunnels and other structures associated with mining subsoil assets.</i>	(AN.1122) - Annex to chapter XIII

Term	Definition	Paragraph(s)
Other subsidies on production	<i>Other subsidies on production</i> consist of subsidies, except subsidies on products, which resident enterprises may receive as a consequence of engaging in production (e.g. subsidies on payroll or workforce or subsidies to reduce pollution).	7.79
Other subsidies on products	<i>Other subsidies on products</i> (other than export or import subsidies) consist of subsidies on goods or services produced as the outputs of resident enterprises that become payable as a result of the production, sale, transfer, leasing or delivery of those goods or services, or as a result of their use for own consumption or own capital formation; there are three broad categories: (a) subsidies on products used domestically, (b) losses of government trading organisations, and (c) subsidies to public corporations and quasi-corporations.	7.78
Other taxes on income n.e.c.	<i>Other taxes on income n.e.c.</i> consist of any income taxes other than taxes on individual or household income, taxes on the income of corporations, taxes on capital gains, and taxes on winnings from lotteries or gambling.	8.52 [OECD 1110, 1120, 1130, 1210]
Other taxes on production	<i>Other taxes on production</i> consist of taxes other than those incurred directly as a result of engaging in production; they mainly consist of current taxes on the labour or capital employed in the enterprise, such as payroll taxes or current taxes on vehicles or buildings.	6.229
Other valuables	The <i>other valuables</i> category of non-financial, tangible, non-produced fixed assets consists of valuables not elsewhere classified, such as collections and jewellery of significant value fashioned out of precious stones and metals.	(AN.139) - Annex to chapter XIII
Other work-in-progress - inventories	<i>Inventories of other work-in-progress</i> consist of goods other than cultivated assets and services that have been partially processed, fabricated or assembled by the producer but that are not usually sold, shipped or turned over to others without further processing.	(AN.1222) - Annex to chapter XIII
Output	<i>Output</i> consists of those goods or services that are produced within an establishment that become available for use outside that establishment, plus any goods and services produced for own final use.	6.38
Output produced for own final use	<i>Output produced for own final use</i> consists of goods or services that are retained for their own final use by the owners of the enterprises in which they are produced.	6.46
Outworker	An <i>outworker</i> is a person who agrees to work for a particular enterprise or to supply a certain quantity of goods or services to a particular enterprise, by prior arrangement or contract with that enterprise, but whose place of work is not within any of the establishments which make up that enterprise; the enterprise does not control the time spent at work by an outworker and does not assume responsibility for the conditions in which that work is carried out.	7.26
Own-account producers	<i>Own-account producers</i> consist of establishments engaged in gross fixed capital formation for the enterprises of which they form part, or unincorporated enterprises owned by households all or most of whose output is intended for final consumption or gross fixed capital formation by those households.	6.52
Own-account workers	<i>Own-account workers</i> are self-employed persons without paid employees.	7.25
Paasche price index	A <i>Paasche price index</i> is the harmonic average of price relatives using the values of the later period as weights.	16.17
Paasche volume index	A <i>Paasche volume index</i> is the harmonic average of volume relatives using the values of the later period as weights.	16.17
Parent corporation	A <i>parent corporation</i> is one which controls more than half of the shareholders' voting power in another corporation or is a shareholder in another corporation, with the right to appoint or remove a majority of the directors of that corporation.	4.32 and 4.33

Term	Definition	Paragraph(s)
Partitioning (transactions)	<i>Partitioning</i> records a transaction that is a single transaction from the perspective of the parties involved as two or more differently classified transactions (e.g. the single rental payment actually made by a lessee under a financial lease can be partitioned into a repayment of principal and a payment of interest).	3.28
Partnerships	<i>Partnerships</i> are separate legal entities which behave like corporations but whose members enjoy limited liability; in effect, the partners are at the same time both shareholders and managers.	4.46
Patented entities	<i>Patented entities</i> are inventions in categories of technical novelty that, by law or by judicial decision, can be afforded patent protection.	(AN.22.1) - Annex to chapter XIII
Payments by households to obtain certain licences	<i>Payments by households to obtain certain licences</i> are payments by persons or households for licences to own or use vehicles, boats or aircraft and for licences to hunt, shoot or fish; they are part of "miscellaneous current taxes" but it should be noted that some other licence fees are treated as purchases of services rendered by government.	8.54 [OECD 5200]
Payments in kind other than remuneration in kind	<i>Payments in kind other than remuneration in kind</i> occur when any of a wide variety of payments are made in the form of goods and services rather than money, excluding payments in kind to employees.	3.39
Payments of compensation	<i>Payments of compensation</i> consist of current transfers paid by institutional units to other institutional units in compensation for injury to persons or damage to property caused by the former, but excluding payments of non-life insurance claims; they can be either compulsory payments awarded by courts of law, or ex gratia payments agreed out of court but they include only compensation for injuries or damages caused by other institutional units, or ex gratia payments made by government units or NPISHs in compensation for injuries or damages caused by natural disasters.	8.98
Payroll taxes	<i>Payroll taxes</i> consist of taxes payable by enterprises assessed either as a proportion of the wages and salaries paid or as a fixed amount per person employed.	7.70 [OECD 3000]
Pension funds	<i>Pension funds</i> are units established for purposes of providing benefits on retirement for specific groups of employees; they have their own assets and liabilities, and they engage in financial transactions in the market on their own account; these funds are organised, and directed, by individual private or government employers, or jointly by individual employers and their employees.	4.98 [7.127]
Perpetual inventory method (PIM)	The <i>perpetual inventory method (PIM)</i> is a method of constructing estimates of capital stock and consumption of fixed capital from time series of gross fixed capital formation; it allows an estimate to be made of the stock of fixed assets in existence and in the hands of producers which is generally based on estimating how many of the fixed assets installed as a result of gross fixed capital formation undertaken in previous years have survived to the current period; a PIM approach is also commonly used in valuing changes in inventories.	6.189 [6.58]
Poll taxes	<i>Poll taxes</i> are taxes levied as specific amounts of money per adult person, or per household, independently of actual or presumed income or wealth; they are part of "miscellaneous current taxes".	8.54 [OECD 6000]
PPP (purchasing power parity)	A <i>PPP (purchasing power parity)</i> is a price relative which measures the number of units of country B's currency that are needed in country B to purchase the same quantity of an individual good or service as 1 unit of country A's currency will purchase in country A.	16.82
Premium supplements	The value of the <i>premium or contribution supplements</i> paid by the policyholders or beneficiaries is equal in total to the entirety of the income earned by the insurance corporations or pension funds by investing their technical or pension reserves; although the income earned by the insurance corporation may not all have been earned as property income, when attributed to policyholders the whole amount is so regarded and appears as the item "property income attributed to policyholders".	22, Annex IV

Term	Definition	Paragraph(s)
Price	The <i>price</i> of a good or service is the value of one unit of that good or service.	16.9
Price index	A <i>price index</i> reflects an average of the proportionate changes in the prices of a specified set of goods and services between two periods of time.	16.14
Price relative	A <i>price relative</i> is the ratio of the price of a specific product in one period to the price of the same product in some other period; in PPP comparisons a <i>price relative</i> refers to the ratios of the same product in two countries.	16.15 and 16.81
Primary incomes	<i>Primary incomes</i> are incomes that accrue to institutional units as a consequence of their involvement in processes of production or ownership of assets that may be needed for purposes of production.	7.2
Principal activity	The <i>principal activity</i> of a producer unit is the activity whose value added exceeds that of any other activity carried out within the same unit (the output of the principal activity must consist of goods or services that are capable of being delivered to other units even though they may be used for own consumption or own capital formation).	5.7 [15.16]
Principal party (to a transaction)	When a unit carries out a transaction on behalf of another unit, the transaction is recorded exclusively in the accounts of the <i>principal party</i> , although some service output may be recognised with the intermediary; for example, purchases a commercial agent makes under the orders of, and at the expense of, another party are directly attributed to the latter while the accounts of the agent only show the fee charged to the principal for intermediation services rendered.	3.31 and 3.32
Private funded social insurance benefits	<i>Private funded social insurance benefits</i> are social insurance benefits payable to households by insurance enterprises or other institutional units administering private funded social insurance schemes.	8.79
Private corporations (non-financial and financial)	<i>Private corporations</i> are all resident corporations and quasi-corporations that are not controlled by government.	4.75
Produced assets	<i>Produced assets</i> are non-financial assets that have come into existence as outputs from processes that fall within the production boundary of the SNA; produced assets consist of fixed assets, inventories and valuables.	10.6 and 10.7 [13.14, (AN.1) - Annex to chapter XIII]
Producer's price	The <i>producer's price</i> is the amount receivable by the producer from the purchaser for a unit of a good or service produced as output minus any VAT, or similar deductible tax, invoiced to the purchaser; it excludes any transport charges invoiced separately by the producer.	6.205, 15.28 [3.82]
Producers for own final use	<i>Producers for own final use</i> produce mostly goods and services for final consumption or fixed capital formation by the owners of the enterprises in which they are produced.	2.46
Product (commodity) technology	<i>Product (commodity) technology</i> is one of two types of technology assumptions used in converting supply and use tables into symmetric input-output tables; it assumes that a product has the same input structure in whichever industry it is produced.	15.144
Product-by-product table	A <i>product-by-product table</i> is a symmetric input-output table with products as the dimension of both rows and columns; as a result it shows which products are used in the production of which other products.	15.150
Production	<i>Production</i> is an activity, carried out under the responsibility, control and management of an institutional unit, that uses inputs of labour, capital and goods and services to produce outputs of goods and services.	6.15 [1.20 5.4, 6.6]
Production account	The <i>production account</i> records the activity of producing goods and services as defined within the SNA; its balancing item, gross value added, is a measure of the contribution to GDP made by an individual producer, industry or sector.	1.6

Term	Definition	Paragraph(s)
Production boundary	The <i>production boundary</i> includes (a) the production of all individual or collective goods or services that are supplied to units other than their producers, or intended to be so supplied, including the production of goods or services used up in the process of producing such goods or services; (b) the own-account production of all goods that are retained by their producers for their own final consumption or gross capital formation; (c) the own-account production of housing services by owner-occupiers and of domestic and personal services produced by employing paid domestic staff.	6.18 [1.20 and 1.22]
Products	<i>Products</i> , also called "goods and services", are the result of production, they are exchanged and used for various purposes: as inputs in the production of other goods and services, as final consumption or for investment.	2.49
Profits of export monopolies	The <i>profits of export monopolies</i> consist of the profits transferred to governments of export marketing boards, or other public enterprises exercising a monopoly over the exports of some good or service.	7.68 [OECD 5124]
Profits of fiscal monopolies	The <i>profits of fiscal monopolies</i> consist of the profits of fiscal monopolies which are transferred to government (fiscal monopolies are public corporations, public quasi-corporations, or government-owned unincorporated enterprises that have been granted a legal monopoly over the production or distribution of a particular kind of good or service in order to raise revenue, the products involved are those which are often subjected to excise taxes, such as tobacco, alcoholic beverages, fuels etc).	7.69 [OECD 5122]
Profits of import monopolies	The <i>profits of import monopolies</i> consist of the profits transferred to governments of import marketing boards, or other public enterprises exercising a monopoly over the import of some good or service.	[7.68, 7.69, OECD 5127]
Property income	<i>Property income</i> is the income receivable by the owner of a financial asset or a tangible non-produced asset in return for providing funds to or putting the tangible non-produced asset at the disposal of, another institutional unit; it consists of interest, the distributed income of corporations (i.e. dividends and withdrawals from income of quasi-corporations), reinvested earnings on direct foreign investment, property income attributed to insurance policy holders, and rent.	7.88 and 7.89 [7.2]
Property income attributed to insurance policyholders	The <i>property income attributed to insurance policyholders</i> is the investment income receivable by insurance enterprises on insurance technical reserves; it is shown in the accounts as being paid by the insurance enterprises to the insurance policyholders because the technical reserves are assets of the policyholders.	7.124
Provincial government	<i>Provincial government</i> See "State government".	
Public corporations (non-financial and financial)	<i>Public corporations</i> are resident corporations and quasi-corporations that are subject to control by government units, with control over a corporation being defined as the ability to determine general corporate policy by choosing appropriate directors, if necessary.	4.72 and 4.84
Purchased goodwill	<i>Purchased goodwill</i> is the difference between the value paid for an enterprise as a going concern and the sum of its assets less the sum of its liabilities, each item of which has been separately identified and valued; the value of goodwill includes anything of long-term benefit to the business that has not been separately identified as an asset, as well as the value of the fact that the group of assets is used jointly and is not simply a collection of separable assets.	(AN.223) - Annex to chapter XIII [12.22]
Purchaser's price	The <i>purchaser's price</i> is the amount paid by the purchaser, excluding any deductible VAT or similar deductible tax, in order to take delivery of a unit of a good or service at the time and place required by the purchaser, the purchaser's price of a good includes any transport charges paid separately by the purchaser to take delivery at the required time and place.	6.215, 15.28 [2.73, 3.83]

Term	Definition	Paragraph(s)
Purchasing power parity (PPP)	A <i>purchasing power parity (PPP)</i> is a price relative which measures the number of units of country B's currency that are needed in country B to purchase the same quantity of an individual good or service as 1 unit of country A's currency will purchase in country A.	16.82
Purpose	The concept of <i>purpose</i> , or function, relates to the type of need a transaction or group of transactions aims to satisfy or the kind of objective it pursues.	2.50
Quantity index	A <i>quantity index</i> is built up from information on quantities such as the number or total weight of goods or the number of services; the quantity index has no meaning from an economic point of view if it involves adding quantities that are not commensurate, although it is often used as a proxy for a volume index.	[16.12 and 16.13]
Quantity relative	A <i>quantity relative</i> is the ratio of the quantity of a specific product in one period to the quantity of the same product in some other period.	16.15
Quasi-corporations	<i>Quasi-corporations</i> are unincorporated enterprises that function as if they were corporations, and which have complete sets of accounts, including balance sheets.	4.49
Real gross domestic income (real GDI)	<i>Real gross domestic income (real GDI)</i> measures the purchasing power of the total incomes generated by domestic production (including the impact on those incomes of changes in the terms of trade); it is equal to gross domestic product at constant prices plus the trading gain (or less the trading loss) resulting from changes in the terms of trade.	16.152
Real holding gain	A <i>real holding gain</i> is the value of the additional command over real resources accruing to the holder of an asset as a result of a change in its price relatively to the prices of goods and services in general in the economy.	12.64
Real holding gains/losses (non-residents)	The <i>real holding gain/loss</i> (non-residents) is that value - expressed in national currency - of the asset resulting from the difference between the nominal and the neutral gain/loss.	14.145
Real income	<i>Real income</i> is obtained by deflating any income flow by a price index in order to measure the purchasing power of the item in question over a designated numeraire set of goods and services.	16.148
Real interest	<i>Real interest</i> is the difference between nominal interest and an amount equal to the loss of purchasing power on the monetary value of the principal during the accounting period.	7.110
Rebasing	In the course of time, the pattern of relative prices in the base period tends to become progressively less relevant to the economic situations of later periods to the point at which it becomes unacceptable to continue using them to measure volume measures from one period to the next; it may then be necessary to update the base period, a process which is commonly referred to as "rebasing".	16.31
Recreational land and associated surface water	<i>Recreational land and associated surface water</i> consist of land that is used as privately owned amenity land, parklands and pleasure grounds and publicly owned parks and recreational areas, together with associated surface water.	(AN.2113) - Annex to chapter XIII
Recurrent losses (from inventories)	<i>Recurrent losses (from inventories)</i> are those losses incurred on goods held in inventories due to normal rates of wastage, theft and accidental damage which reduce the value of the total change in inventories, and hence output.	6.62
Recurrent taxes on land, buildings or other structures	<i>Recurrent taxes on land, buildings or other structures</i> consist of taxes payable regularly, usually each year, in respect of the use or ownership of land, buildings or other structures utilised by enterprises in production, whether the enterprises own or rent such assets.	7.70 [OECD 4100]

Term	Definition	Paragraph(s)
Redistribution of income in kind account	The <i>redistribution of income in kind account</i> shows how the disposable incomes of households, non-profit institutions serving households (NPISHs) and government units are transformed into their adjusted disposable income by the receipt and payment of social transfers in kind.	8.2
Reference period	In connection with price or volume indices, the <i>reference period</i> means the period to which the indices relate; it is typically set equal to 100 and it does not necessarily coincide with the "base" period that provides the weights for the indices.	[16.16]
Reference rate of interest	The <i>reference rate of interest</i> (to be used in allocating FISIM) is the pure cost of borrowing funds (i.e. a rate from which the risk premium has been eliminated to the greatest extent possible and which does not include any intermediation services).	6.128
Regional central bank	A <i>regional central bank</i> is an international financial institution which acts as a common central bank for a group of member countries.	14.34
Regulatory bodies	<i>Regulatory bodies</i> are bodies which regulate or supervise financial corporations; they may be classified as financial or non-financial according to their status.	4.101
Reimbursements - social security benefits	<i>Reimbursements (social security benefits)</i> are repayments (partial or complete) by social security funds of approved expenditures made by households on specified goods or services.	8.101
Reinvested earnings on direct foreign investment	<i>Reinvested earnings on direct foreign investment</i> consist of the retained earnings of a direct foreign investment enterprise which are treated as if they were distributed and remitted to foreign direct investors in proportion to their ownership of the equity of the enterprise and then reinvested by them in the enterprise.	7.120
Remuneration in kind	<i>Remuneration in kind</i> occurs when an employee accepts payment in the form of goods and services instead of money.	3.38
Rental on fixed assets	<i>Rental on fixed assets</i> is the amount payable by the user of a fixed asset to its owner, under an operating lease or similar contract, for the right to use that asset in production for a specified period of time.	6.181
Rent	<i>Rent</i> is the sum of rents on land and rents on subsoil assets.	7.128 and 7.132
Rents on land	<i>Rents on land</i> are a form of property income; they consist of the amounts paid to a landowner by a tenant for the use of the land.	7.128
Rents on subsoil assets	<i>Rents on subsoil assets</i> are a form of property income; they consist of the payments made to the owners of the subsoil assets by institutional units permitting them to extract the subsoil deposits over a specified period.	[7.133]
Repayable margins	<i>Repayable margins</i> consist of deposits or other collateral deposited to protect a counterparty against default risk, but which remain under the ownership of the unit that placed the margins.	11.43
Replacement cost accounting	<i>Replacement cost accounting</i> See "Current cost accounting".	
Repurchase agreements	<i>Repurchase agreements</i> are arrangements whereby an institutional unit sells securities at a specified price to another unit; the sale is made under a commitment to repurchase the same or similar securities at a fixed price on a specified future date (usually very short-term, e.g. overnight or one day) or at a date subject to the discretion of the purchaser.	11.32
Rerouting (transactions)	<i>Rerouting (transactions)</i> records a transaction as taking place in channels that differ from the actual ones or as taking place in an economic sense when it actually does not, such as a direct transaction between unit A and unit C being recorded as taking place indirectly through a third unit B, usually, however, with some change in the transaction category.	3.24

Term	Definition	Paragraph(s)
Research and development	<i>Research and development</i> by a market producer is an activity undertaken for the purpose of discovering or developing new products, including improved versions or qualities of existing products, or discovering or developing new or more efficient processes of production.	6.142 [6.163]
Reserve assets	<i>Reserve assets</i> consist of those external assets that are readily available to and controlled by a country's authorities for direct financing of international payments imbalances, for indirect regulation of the magnitude of such imbalances through intervention in foreign exchange markets to affect their currency's exchange rate, and for other purposes.	11.61 [14.155]
Resident	An institutional unit is <i>resident</i> in a country when it has a centre of economic interest in the economic territory of that country.	4.15 [1.28, 14.8]
Resources	<i>Resources</i> refers to the side of the current accounts where transactions which add to the amount of economic value of a unit or a sector appear (for example, wages and salaries are a resource for the unit or sector receiving them); by convention, resources are put on the right side of the account.	2.54
Rest of the world	The <i>rest of the world</i> consists of all non-resident institutional units that enter into transactions with resident units, or have other economic links with resident units.	4.163 [1.14, 14.3]
Rest of the world account	The <i>rest of the world account</i> comprises those categories of accounts necessary to capture the full range of transactions that take place between the total economy and the rest of the world (i.e. between residents and non-residents).	14.3 [1.14]
Revaluation account	The <i>revaluation account</i> records the positive or negative holding gains accruing during the accounting period to the owners of financial and non-financial assets and liabilities.	12.63 [1.9]
Royalties	" <i>Royalties</i> " is the term often used to describe either the regular payments made by the lessees of subsoil assets to the owners of the assets (these payments are treated as rents in the SNA) or the payments made by units using processes or producing products covered by patents (these are treated as purchases of services produced by the owners of the patents in the SNA).	7.87 and 7.92
SAM (social accounting matrix)	A <i>SAM (social accounting matrix)</i> is a means of presenting the SNA accounts in a matrix which elaborates the linkages between a supply and use table and institutional sector accounts; a typical focus of a SAM on the role of people in the economy may be reflected by, among other things, extra breakdowns of the household sector and a disaggregated representation of labour markets (i.e., distinguishing various categories of employed persons).	20.4
Satellite accounts	<i>Satellite accounts</i> provide a framework linked to the central accounts and which enables attention to be focussed on a certain field or aspect of economic and social life in the context of national accounts; common examples are satellite accounts for the environment, or tourism, or unpaid household work.	2.246 [21.4]
Saving	<i>Saving</i> is disposable income less final consumption expenditure (or adjusted disposable income less actual final consumption), in both cases after taking account of an adjustment for pension funds; saving is an important aggregate which can be calculated for each institutional sector or for the whole economy.	9.17 [1.10, 9.2, 9.19]
SDRs (Special Drawing Rights)	<i>SDRs (Special Drawing Rights)</i> are international reserve assets created by the International Monetary Fund and allocated to its members to supplement existing reserve assets.	11.67, (AF.1) - Annex to chapter XIII
Secondary activity	A <i>secondary activity</i> is an activity carried out within a single producer unit in addition to the principal activity and whose output, like that of the principal activity, must be suitable for delivery outside the producer unit.	5.8 [15.16]
Secondary distribution of income account	The <i>secondary distribution of income account</i> shows how the balance of primary incomes of an institutional unit or sector is transformed into its disposable income by the receipt and payment of current transfers excluding social transfers in kind.	8.1

Term	Definition	Paragraph(s)
Sectors (or "institutional sectors")	Institutional units are grouped together to form <i>institutional sectors</i> , on the basis of their principal functions, behaviour, and objectives.	2.20
Securities other than shares	<i>Securities other than shares</i> consist of bills, bonds, certificates of deposit, commercial paper, debentures, and similar instruments normally traded in the financial markets.	11.74 [(AF.3) - Annex to chapter XIII]
Securitisation	<i>Securitisation</i> is the process of issuing new negotiable securities backed by existing assets such as loans, mortgages, credit card debt, or other assets (including accounts receivable).	11.75
Self-employed workers	<i>Self-employed workers</i> are persons who are the sole owners, or joint owners, of the unincorporated enterprises in which they work, excluding those unincorporated enterprises that are classified as quasi-corporations.	7.24
Services	<i>Services</i> are outputs produced to order and which cannot be traded separately from their production; ownership rights cannot be established over services and by the time their production is completed they must have been provided to the consumers; however as an exception to this rule there is a group of industries, generally classified as service industries, some of whose outputs have characteristics of goods, i.e. those concerned with the provision, storage, communication and dissemination of information, advice and entertainment in the broadest sense of those terms; the products of these industries, where ownership rights can be established, may be classified either as goods or services depending on the medium by which these outputs are supplied.	6.8 [6.13]
Shareholders	<i>Shareholders</i> are the collective owners of a corporation.	7.112
Shares and other equities	<i>Shares and other equities</i> are financial assets that are instruments and records acknowledging, after the claims of all creditors have been met, claims to the residual value of incorporated enterprises.	(AF.5) - Annex to chapter XIII [11.86]
Short-term loans	<i>Short-term loans</i> are loans that have an original maturity normally of one year or less, but with a maximum of two years or less to accommodate variations in practice between countries.	(AF.41) - Annex to chapter XIII
Short-term securities other than shares	<i>Short-term securities other than shares</i> consist of securities other than shares that have an original maturity of one year or less but with a maximum of two years or less to accommodate variations in practice between countries.	(AF.31) - Annex to chapter XIII
Single indicator method of deflation	A <i>single indicator method of deflation</i> is a means of estimating the volume movements of value added directly using only one time series as an indicator (e.g. deflated output or deflated value added) instead of double deflation.	16.68
SNA (System of National Accounts)	The <i>System of National Accounts (SNA)</i> consists of a coherent, consistent and integrated set of macroeconomic accounts, balance sheets and tables based on a set of internationally agreed concepts, definitions, classifications and accounting rules.	1.1
Social accounting matrix (SAM)	A <i>social accounting matrix (SAM)</i> is a means of presenting the SNA accounts in a matrix which elaborates the linkages between a supply and use table and institutional sector accounts; a typical focus of a SAM on the role of people in the economy may be reflected by, among other things, extra breakdowns of the household sector and a disaggregated representation of labour markets (i.e., distinguishing various categories of employed persons).	20.4
Social assistance benefits	<i>Social assistance benefits</i> are transfers made by government units or NPIs to households intended to meet the same kinds of needs as social insurance benefits but are provided outside of an organised social insurance scheme and are not conditional on previous payments of contributions.	8.7 [8.75]
Social assistance benefits in cash	<i>Social assistance benefits in cash</i> consist of current transfers payable in cash to households by government units or NPIs to meet the same needs as social insurance benefits but which are not made under a social insurance scheme incorporating social contributions and social insurance benefits.	8.81

Term	Definition	Paragraph(s)
Social assistance benefits in kind	<i>Social assistance benefits in kind</i> consist of transfers in kind provided to households by government units or NPISHs that are similar in nature to social security benefits in kind but are not provided in the context of a social insurance scheme.	8.104
Social benefits	<i>Social benefits</i> are current transfers received by households intended to provide for the needs that arise from certain events or circumstances, for example, sickness, unemployment, retirement, housing, education or family circumstances.	8.7
Social benefits in kind	<i>Social benefits in kind</i> consist of (a) social security benefits, reimbursements, (b) other social security benefits in kind, (c) social assistance benefits in kind; in other words they are equal to social transfers in kind excluding transfers of individual non-market goods and services.	8.22 [8.99 - 8.106]
Social benefits other than social transfers in kind	<i>Social benefits other than social transfers in kind</i> consist of all social benefits except social transfers in kind; in other words, they consist of: (a) all social benefits in cash - both social insurance and social assistance benefits - provided by government units, including social security funds, and NPISHs; and (b) all social insurance benefits provided under private funded and unfunded social insurance schemes, whether in cash or in kind.	8.77
Social contributions	<i>Social contributions</i> are actual or imputed payments to social insurance schemes to make provision for social insurance benefits to be paid.	8.8
Social contributions by self-employed and non-employed persons	<i>Social contributions by self-employed and non-employed persons</i> are social contributions payable for their own benefit by persons who are not employees - i.e. self-employed persons (employers or own-account workers), or non-employed persons.	8.70
Social insurance benefits	<i>Social insurance benefits</i> are transfers provided under organised social insurance schemes; social insurance benefits may be provided under general social security schemes, under private funded social insurance schemes or by unfunded schemes managed by employers for the benefit of their existing or former employees without involving third parties in the form of insurance enterprises or pension funds.	8.7
Social insurance schemes	<i>Social insurance schemes</i> are schemes in which social contributions are paid by employees or others, or by employers on behalf of their employees, in order to secure entitlement to social insurance benefits, in the current or subsequent periods, for the employees or other contributors, their dependants or survivors.	8.55
Social security benefits, reimbursements	<i>Reimbursements (social security benefits)</i> are repayments (partial or complete) by social security funds of approved expenditures made by households on specified goods or services.	8.101
Social security benefits in cash	<i>Social security benefits in cash</i> are social insurance benefits payable in cash to households by social security funds; they may take the form of sickness and invalidity benefits, maternity allowances, children's or family allowances, other dependants' allowances, unemployment benefits, retirement and survivors' pensions, death benefits or other allowances or benefits.	8.78
Social security funds	<i>Social security funds</i> are separately organised from the other activities of government units and hold their assets and liabilities separately from the latter; they are separate institutional units because they are autonomous funds, they have their own assets and liabilities and engage in financial transactions on their own account.	4.112 [4.130]
Social security schemes	<i>Social security schemes</i> are schemes imposed and controlled by government units for the purpose of providing social benefits to members of the community as a whole, or of particular sections of the community.	8.64

Term	Definition	Paragraph(s)
Social transfers in kind	<i>Social transfers in kind</i> consist of individual goods and services provided as transfers in kind to individual households by government units (including social security funds) and NPISHs, whether purchased on the market or produced as non-market output by government units or NPISHs; the items included are: (a) social security benefits, reimbursements, (b) other social security benefits in kind, (c) social assistance benefits in kind, and (d) transfers of individual non-market goods or services.	8.99
Special drawing rights (SDRs)	<i>Special drawing rights (SDRs)</i> are international reserve assets created by the International Monetary Fund and allocated to its members to supplement existing reserve assets.	11.67, (AF.1) - Annex to chapter XIII
Stamp taxes	The category <i>stamp taxes</i> consists of those stamp taxes which do not fall on particular classes of transactions elsewhere identified, particularly in paragraphs 7.69 and 7.70 of the SNA (e.g. stamps on legal documents or cheques, which are treated as taxes on the production of business or financial services).	7.70 [OECD 6200]
State government	<i>State governments</i> are institutional units exercising some of the functions of government at a level below that of central government and above that of the governmental institutional units existing at a local level; they are institutional units whose fiscal, legislative and executive authority extends only over the individual "states" (often referred to as "provinces") into which the country as a whole may be divided.	4.124
Stocks	<i>Stocks</i> are a position in, or holdings of, assets and liabilities at a point in time and the SNA records stocks in accounts, usually referred to as balance sheets, and tables at the beginning and end of the accounting period; stocks result from the accumulation of prior transactions and other flows, and they are changed by transactions and other flows in the period (note that stocks of goods are referred to as "inventories" in the SNA).	3.66
Straight-line depreciation	<i>Straight-line depreciation</i> is a depreciation profile based on a constant annual amount of capital consumption over the life of the asset.	6.193
Subsidiary corporation	<i>Corporation B</i> is said to be a <i>subsidiary</i> of corporation A when either (a) corporation A controls more than half of the shareholders' voting power in corporation B; or (b) corporation A is a shareholder in corporation B with the right to appoint or remove a majority of the directors of corporation B.	4.32
Subsidies	<i>Subsidies</i> are current unrequited payments that government units, including non-resident government units, make to enterprises on the basis of the levels of their production activities or the quantities or values of the goods or services which they produce, sell or import.	7.71 [15.52]
(Subsidies on) losses of government trading organisations	<i>Losses of government trading organisations</i> consist of the losses incurred by government trading organisations whose function is to buy and sell the products of resident enterprises; when such organisations incur losses as a matter of deliberate government economic or social policy by selling at lower prices than those at which they purchased the goods, the difference between the purchase and the selling prices should be treated as a <i>subsidy</i> .	7.78
Subsidies on payroll or workforce	<i>Subsidies on payroll or workforce</i> consist of subsidies payable on the total wage or salary bill, or total workforce, or on the employment of particular types of persons such as physically handicapped persons or persons who have been unemployed for long periods.	7.79
Subsidies on production - other	<i>Other subsidies on production</i> consist of subsidies, except subsidies on products, which resident enterprises may receive as a consequence of engaging in production (e.g. subsidies on payroll or workforce or subsidies to reduce pollution).	7.79

Term	Definition	Paragraph(s)
Subsidies on products - other	<i>Other subsidies on products</i> (other than export or import subsidies) consist of subsidies on goods or services produced as the outputs of resident enterprises that become payable as a result of the production, sale, transfer, leasing or delivery of those goods or services, or as a result of their use for own consumption or own capital formation; there are three broad categories: (a) subsidies on products used domestically, (b) losses of government trading organisations, and (c) subsidies to public corporations and quasi-corporations.	7.78
Subsidies on products used domestically	<i>Subsidies on products used domestically</i> consist of subsidies payable to resident enterprises in respect of their outputs which are used or consumed within the economic territory.	7.78
Subsidies to public corporations and quasi-corporations	<i>Subsidies to public corporations and quasi-corporations</i> consist of regular transfers paid to public corporations and quasi-corporations which are intended to compensate for persistent losses - i.e. negative operating surpluses - which they incur on their productive activities as a result of charging prices which are lower than their average costs of production as a matter of deliberate government economic and social policy; by convention, these subsidies are treated as subsidies on products.	7.78
Subsidies to reduce pollution	<i>Subsidies to reduce pollution</i> consist of subsidies intended to cover some or all of the costs of additional processing undertaken to reduce or eliminate the discharge of pollutants into the environment.	7.79
Subsidy on a product	A <i>subsidy on a product</i> is a subsidy payable per unit of a good or service produced, either as a specific amount of money per unit of quantity of a good or service or as a specified percentage of the price per unit; it may also be calculated as the difference between a specified target price and the market price actually paid by a buyer.	15.53
Subsoil assets	<i>Subsoil assets</i> are proven reserves of mineral deposits located on or below the earth's surface that are economically exploitable, given current technology and relative prices.	(AN.212) - Annex to chapter XIII, 13.59 [12.15]
Supply and use tables	<i>Supply and use tables</i> are in the form of matrices that record how supplies of different kinds of goods and services originate from domestic industries and imports and how those supplies are allocated between various intermediate or final uses, including exports.	1.16 [15.1]
Swaps	<i>Swaps</i> See "Interest rate swaps"; "Foreign exchange swaps"; and/or "Cross-currency interest rate swaps".	
Swap - foreign exchange	A <i>foreign exchange swap</i> is a spot sale/purchase of currencies and a simultaneous forward purchase/sale of the same currencies.	11.38
Swap - interest rate	An <i>interest rate swap</i> contract involves an exchange of cash flows related to interest payments, or receipts, on a notional amount of principal, which is never exchanged, on one currency over a period of time; settlements are often made through net cash payments by one counterparty to the other.	11.38
Swaps - cross-currency interest rate	<i>Cross-currency interest rate swaps</i> (sometimes known as "currency swaps") involve an exchange of cash flows related to interest payments and an exchange of principal amounts at an agreed exchange rate at the end of the contract; there might also be an exchange of principal at the beginning of the contract and, in these circumstances, there may be subsequent repayments, which include both interest and principal, over time according to the predetermined rules.	11.38
Symmetrictables	<i>Symmetric (input-output) tables</i> are tables in which the same classifications or units (i.e. the same groups of products or industries) are used in both rows and columns.	15.2

Term	Definition	Paragraph(s)
System of National Accounts (SNA)	The <i>System of National Accounts (SNA)</i> consists of a coherent, consistent and integrated set of macroeconomic accounts, balance sheets and tables based on a set of internationally agreed concepts, definitions, classifications and accounting rules.	1.1
Tangible fixed assets	<i>Tangible fixed assets</i> are non-financial produced assets that consist of dwellings, other buildings and structures, machinery and equipment and cultivated assets.	(AN.111) - Annex to chapter XIII
Tangible non-produced assets	<i>Tangible non-produced assets</i> are natural assets - land, subsoil assets, non-cultivated biological resources and water resources - over which ownership may be established and transferred.	13.18 [13.53, (AN.21) - Annex to chapter XIII]
Tax on a product	A <i>tax on a product</i> is a tax that is payable per unit of some good or service, either as a specified amount of money per unit of quantity or as a specified percentage of the price per unit or value of the good or service transacted.	15.47 [7.62]
Taxes	<i>Taxes</i> are compulsory, unrequited payments, in cash or in kind, made by institutional units to government units; they are described as unrequited because the government provides nothing in return to the individual unit making the payment, although governments may use the funds raised in taxes to provide goods or services to other units, either individually or collectively, or to the community as a whole.	7.48 [8.43]
Taxes and duties on imports	<i>Taxes and duties on imports</i> , excluding VAT, consist of taxes on goods and services that become payable at the moment when the goods cross the national or customs frontiers of the economic territory or when the services are delivered by non-resident producers to resident institutional units.	15.47 [7.49, 7.64]
Taxes on capital gains	<i>Taxes on capital gains</i> consist of taxes on the capital gains (described as holding gains in the SNA's terminology) of persons or corporations which become due for payment during the current accounting period, irrespective of the periods over which the gains have accrued.	8.52 [OECD 1120, 1220]
Taxes on capital transfers	<i>Taxes on capital transfers</i> consist of taxes on the values of assets transferred between institutional units.	10.136
Taxes on entertainment	<i>Taxes on entertainment</i> consist of any taxes which are levied specifically on the entertainment itself (such as on an entry ticket) and which are not part of some broader tax such as a VAT.	[7.69, OECD 5126]
Taxes on financial and capital transactions	<i>Taxes on financial and capital transactions</i> consist of taxes payable on the purchase or sale of non-financial and financial assets including foreign exchange.	7.69 [OECD 4400]
Taxes on income	<i>Taxes on income</i> consist of taxes on incomes, profits and capital gains; they are assessed on the actual or presumed incomes of individuals, households, NPIs or corporations.	8.52 [OECD 1110, 1120, 1130, 1210]
Taxes on individual or household income	<i>Taxes on individual or household income</i> consist of personal income taxes, including those deducted by employers (pay-as-you-earn taxes), and surtaxes.	8.52 [OECD 1110]
Taxes on international transactions	<i>Taxes on international transactions</i> consist of taxes on travel abroad, foreign remittances, foreign investments, etc except those payable by producers (such taxes payable by producers are part of taxes on production while those payable by non-producers are part of other current taxes); they are part of "miscellaneous current taxes".	7.70 and 8.54 [OECD 5127]
Taxes (recurrent) on land, buildings or other structures	<i>Taxes (recurrent) on land, buildings or other structures</i> consist of taxes payable regularly, usually each year, in respect of the use or ownership of land, buildings or other structures utilised by enterprises in production, whether the enterprises own or rent such assets.	7.70 [OECD 4100]
Taxes on lotteries, gambling and betting	<i>Taxes on lotteries, gambling and betting</i> consist of any taxes, other than taxes on winnings, which are levied on these types of operations; they are typically levied as a percentage of the operator's turnover.	[7.69, OECD 5126]

Term	Definition	Paragraph(s)
Taxes on pollution	<i>Taxes on pollution</i> consist of taxes levied on the emission or discharge into the environment of noxious gases, liquids or other harmful substances; they do not include payments made for the collection and disposal of waste or noxious substances by public authorities.	7.70 [OECD 5200]
Taxes on production and imports	<i>Taxes on production and imports</i> consist of taxes payable on goods and services when they are produced, delivered, sold, transferred or otherwise disposed of by their producers plus taxes and duties on imports that become payable when goods enter the economic territory by crossing the frontier or when services are delivered to resident units by non-resident units; they also include other taxes on production, which consist mainly of taxes on the ownership or use of land, buildings or other assets used in production or on the labour employed, or compensation of employees paid.	7.49
Taxes on products	<i>Taxes on products</i> , excluding VAT, import and export taxes, consist of taxes on goods and services that become payable as a result of the production, sale, transfer, leasing or delivery of those goods or services, or as a result of their use for own consumption or own capital formation.	7.69, 15.47 [OECD 5110 - 5113, 5121, 5122, 5126, 4400]
Taxes on specific services	<i>Taxes on specific services</i> consist of all taxes assessed on the payment for specific services such as taxes on transportation, communications, insurance, advertising, hotels or lodging, restaurants, entertainments, gambling and lotteries, sporting events, etc.	7.69 and OECD 5126
Taxes on the income of corporations	<i>Taxes on the income of corporations</i> consist of corporate income taxes, corporate profits taxes, corporate surtaxes, etc.	8.52 [OECD 1210]
Taxes on the use of fixed assets	<i>Taxes on the use of fixed assets</i> include taxes levied periodically on the use of vehicles, ships, aircraft or other machinery or equipment used by enterprises for purposes of production, whether such assets are owned or rented.	7.70 [OECD 5200]
Taxes on winnings from lotteries or gambling	<i>Taxes on winnings from lotteries or gambling</i> are taxes payable on the amounts received by winners.	8.52 [OECD 1130]
Taxes paid to obtain business and professional licences	<i>Taxes paid to obtain business and professional licences</i> consist of those taxes paid by enterprises in order to obtain a licence to carry on a particular kind of business or profession; in some circumstances when the payments are not unrequited they should be treated as payments for services rendered.	7.70 [OECD 5210]
Taxes resulting from multiple exchange rates	<i>Taxes resulting from multiple exchange rates</i> consist of implicit taxes resulting from the operation of an official system of multiple exchange rates by the central bank or other official agency.	7.67
Time of acquisition	The <i>time at which goods and services are acquired</i> is when the change of ownership occurs or the delivery of the services is completed.	9.34
Time reversal test	The <i>time reversal test</i> requires that the index for the later period based on the earlier period should be the reciprocal of that for the earlier period based on the later period; one of the desirable features of the "Fisher Ideal" price and volume indexes is that they satisfy this test (unlike either the Paasche or Laspeyres indexes).	16.24
Törnqvist price index	A <i>Törnqvist price index</i> is a weighted geometric average of the price relatives using arithmetic averages of the value shares in the two periods as weights.	16.27
Törnqvist volume index	A <i>Törnqvist volume index</i> is a weighted geometric average of the quantity relatives using arithmetic averages of the value shares in the two periods as weights.	16.27
Total economy	The <i>total economy</i> consists of all the institutional units which are resident in the economic territory of a country.	2.22

Term	Definition	Paragraph(s)
Total final consumption	<i>Total final consumption</i> is the total value of all expenditures on individual and collective consumption goods and services incurred by resident households, resident NPISHs and general government units; it may also be defined in terms of actual final consumption as the value of all the individual goods and services acquired by resident households plus the value of the collective services provided by general government to the community or large sections of the community.	9.98
Total hours worked	<i>Total hours worked</i> consist of the aggregate number of hours actually worked during the period in employee and self employment jobs.	15.102 [17.12, 17.27]
Trade credits and advances	<i>Trade credits and advances</i> are trade credit for goods and services extended directly to corporations, to government, to non-profit institutions, to households and to the rest of the world and also advances for work that is in progress (if classified as such under inventories) or is to be undertaken.	(AF.71) - Annex to chapter XIII
Trade margin	A <i>trade margin</i> is the difference between the actual or imputed price realised on a good purchased for resale (either wholesale or retail) and the price that would have to be paid by the distributor to replace the good at the time it is sold or otherwise disposed of.	6.110
Trading gains and losses	<i>Trading gains and losses</i> arise from changes in a country's terms of trade; for example, if the prices of a country's exports rise faster (or fall more slowly) than the prices of its imports (i.e. if its terms of trade improve) then an increased volume of imports of goods and services can be purchased by residents out of the receipts generated by a given level of exports.	16.152
Transaction	A <i>transaction</i> is an economic flow that is an interaction between institutional units by mutual agreement or an action within an institutional unit that it is analytically useful to treat like a transaction, often because the unit is operating in two different capacities.	3.12
Transactions account	A <i>transactions account</i> shows, for a given transaction or group of transactions (for example, interest), resources and uses for each sector (or industry if relevant) engaged in that type of transaction, but it does not show direct relations between transacting sectors.	2.152
Transfer	A <i>transfer</i> is a transaction in which one institutional unit provides a good, service or asset to another unit without receiving from the latter any good, service or asset in return as counterpart.	8.3, 8.27
Transfer in kind	A <i>transfer in kind</i> consists either of the transfer of ownership of a good or asset, other than cash, or the provision of a service, without any counterpart.	8.27 [3.40]
Transfer price	A <i>transfer price</i> is a price, adopted for book-keeping purposes, which is used to value transactions between affiliated enterprises integrated under the same management at artificially high or low levels in order to effect an unspecified income payment or capital transfer between those enterprises.	[3.79, BPM 97]
Transferable deposits	<i>Transferable deposits</i> comprise all deposits that are (a) exchangeable on demand at par, without penalty or restriction; (b) freely transferable by cheque or giro-order and (c) otherwise commonly used to make payments.	11.71, (AF.22) - Annex to chapter XIII
Transfers of individual non-market goods or services	<i>Transfers of individual non-market goods or services</i> consist of goods or services provided to individual households free, or at prices which are not economically significant, by non-market producers of government units or NPISHs; although some of the non-market services produced by NPISHs have some of the characteristics of collective services, all the non-market services produced by NPISHs are, for simplicity and by convention, treated as individual in nature.	8.105
Transitivity (in international comparisons)	<i>Transitivity (in international comparisons)</i> is a condition which implies that the direct (binary) index for country k based on country i is equal to the indirect index obtained by multiplying the direct (binary) index for country k based on country j by the direct (binary) index for country j based on country i.	16.88

Term	Definition	Paragraph(s)
Transport equipment (as assets)	<i>Transport equipment</i> (assets) consists of equipment for moving people and objects, other than any such equipment acquired by households for final consumption.	(AN.11131) - Annex to chapter XIII
Transport margin	A <i>transport margin</i> consists of those transport charges paid separately by the purchaser in taking delivery of the goods at the required time and place.	15.40 [15.42]
Uncompensated seizures	<i>Uncompensated seizures</i> occur when governments or other institutional units take possession of the assets of other institutional units, including non-resident units, without full compensation for reasons other than the payment of taxes, fines, or similar levies.	12.38
Underground economy	The <i>underground economy</i> consists of activities which may be both productive in an economic sense and also quite legal (provided certain standards or regulations are complied with) but which are deliberately concealed from public authorities (e.g. to avoid the payment of taxes and/or social security contributions or to avoid meeting certain standards or administrative requirements).	6.34
Unforeseen obsolescence	<i>Unforeseen obsolescence</i> arises when the amount included in consumption of fixed capital for an asset's normally expected obsolescence falls short of the amount required to cover its actual obsolescence.	[12.43]
Unfunded employee social insurance benefits	<i>Unfunded employee social insurance benefits</i> are social benefits payable to their employees, their dependants or survivors by employers administering unfunded social insurance schemes.	8.80
Unincorporated enterprise	An <i>unincorporated enterprise</i> is a producer unit which is not incorporated as a legal entity separate from the owner (household, government or foreign resident); the fixed and other assets used in unincorporated enterprises do not belong to the enterprises but to their owners, the enterprises as such cannot engage in transactions with other economic units nor can they enter into contractual relationships with other units nor incur liabilities on their own behalf; in addition, their owners are personally liable, without limit, for any debts or obligations incurred in the course of production.	4.140 and 4.141
Unit value index	A <i>unit value index</i> is a "price" index which measures the change in the average value of units that are not homogeneous and which may therefore be affected by changes in the mix of items as well as by changes in their prices.	16.13
Unquoted shares	<i>Unquoted shares</i> are shares which are not traded on stock exchanges or other organised financial markets.	13.73
Uses	The term <i>uses</i> refers to transactions in the current accounts that reduce the amount of economic value of a unit or sector (for example, wages and salaries are a use for the unit or sector that must pay them); by convention, uses are put on the left side of the account.	2.54
Uses of value added quadrant	The <i>uses of value added quadrant</i> (of an input-output table) shows those production costs of producers other than intermediate consumption.	15.74
Valuables	<i>Valuables</i> are produced assets that are not used primarily for production or consumption, that are expected to appreciate or at least not to decline in real value, that do not deteriorate over time under normal conditions and that are acquired and held primarily as stores of value.	(AN.13) - Annex to chapter XIII [10.7, 10.116, 13.15, 13.50]
Value	<i>Value</i> at the level of a single, homogeneous good or service is equal to the price per unit of quantity multiplied by the number of quantity units of that good or service; in contrast to price, value is independent of the choice of quantity unit.	16.9
Value added - gross	<i>Gross value added</i> is the value of output less the value of intermediate consumption; it is a measure of the contribution to GDP made by an individual producer, industry or sector; gross value added is the source from which the primary incomes of the SNA are generated and is therefore carried forward into the primary distribution of income account.	1.6 [2.172, 6.4, 6.222]

Term	Definition	Paragraph(s)
Value added - net	<i>Net value added</i> is the value of output less the values of both intermediate consumption and consumption of fixed capital.	6.4, 6.222 [1.6]
Value added tax (VAT)	A <i>value added tax (VAT)</i> is a tax on products collected in stages by enterprises; it is a wide-ranging tax usually designed to cover most or all goods and services but producers are obliged to pay to government only the difference between the VAT on their sales and the VAT on their purchases for intermediate consumption or capital formation, while VAT is not usually charged on sales to non-residents (i.e. exports).	6.207 and 6.208 [15.47]
VAT - deductible	<i>Deductible VAT</i> is the VAT payable on purchases of goods or services intended for intermediate consumption, gross fixed capital formation or for resale which a producer is permitted to deduct from his own VAT liability to the government in respect of VAT invoiced to his customers.	6.209
VAT - invoiced	<i>Invoiced VAT</i> is the VAT payable on the sales of a producer; it is shown separately on the invoice which the producer presents to the purchaser.	6.209
VAT - non-deductible	<i>Non-deductible VAT</i> is VAT payable by a purchaser which is not deductible from his own VAT liability, if any.	6.209
Vertically integrated enterprise	A <i>vertically integrated enterprise</i> is one in which different stages of production, which are usually earned out by different enterprises, are carried out in succession by different parts of the same enterprise (the output of one stage becomes an input into the next stage, only the output from the final stage being actually sold on the market).	5.31
Volume index	A <i>volume index</i> is most commonly presented as a weighted average of the proportionate changes in the quantities of a specified set of goods or services between two periods of time; volume indices may also compute the relative levels of activity in different countries (e.g. those calculated using PPPs).	16.11
Wages and salaries	<i>Wages and salaries</i> consist of the sum of wages and salaries in cash and wages and salaries in kind.	7.33 and 7.37
Wages and salaries in cash	<i>Wages and salaries in cash</i> consist of wages or salaries payable at regular weekly, monthly or other intervals, including payments by results and piecework payments; plus allowances such as those for working overtime; plus amounts paid to employees away from work for short periods (e.g. on holiday); plus ad hoc bonuses and similar payments; plus commissions, gratuities and tips received by employees.	7.33
Wages and salaries in kind	<i>Wages and salaries in kind</i> consist of remuneration in the form of goods and/or services that are not necessary for work and can be used by employees in their own time, and at their own discretion, for the satisfaction of their own needs or wants or those of other members of their households.	7.39
Warrants	<i>Warrants</i> are a form of options that are treated in the financial account in the same way as other options; they are tradable instruments giving the holder the right to buy, under specified terms for a specified period of time, from the issuer of the warrant (usually a corporation) a certain number of shares or bonds.	11.41
Water resources	<i>Water resources</i> consist of aquifers and other groundwater resources to the extent that their scarcity leads to the enforcement of ownership and/or use rights, market valuation and some measure of economic control.	(AN 214) - Annex to chapter XIII
Withdrawals from income of quasi-corporations	The <i>income</i> that the owners of <i>quasi-corporations</i> withdraw from them is analogous to the income withdrawn from corporations by paying out dividends to their shareholders.	7.89 [7.115]
Work	<i>Work</i> is any activity which contributes to the production of goods or services within the production boundary.	17.9

Term	Definition	Paragraph(s)
Work-in-progress - inventories	<i>Inventories of work-in-progress</i> consist of goods and services that are partially completed but that are not usually turned over to other units without further processing or that are not mature and whose production process will be continued in a subsequent period by the same producer.	(AN.122) - Annex to chapter XIII [6.40, 6.72, 10.102]
Work-in-progress on cultivated assets - inventories	<i>Inventories of work-in-progress on cultivated assets</i> consist of livestock raised for products yielded only on slaughter, including fowl and fish raised commercially, trees and other vegetation yielding once-only products on destruction and immature cultivated assets yielding repeat products.	(AN.1221) - Annex to chapter XIII
Written-down (net) value of a fixed asset	The <i>written-down (net) value of a fixed asset</i> is the actual or estimated current purchaser's price of a new asset of the same type less the cumulative value of the consumption of fixed capital accrued up to that point in time.	6.199
Zero-coupon bonds	<i>Zero-coupon bonds</i> are long-term securities that do not involve periodic interest payments during the life of the bond; instead, they are sold at a discount from par value and the full return is paid at maturity.	11.77 [7.101]